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Daily Report
Central Eurasia

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Kazakhstani President Says Army Still Independent of Moscow

AU2401183495 Paris AFP in English 1818 GMT 24 Jan 95

[FBIS Transcribed Text] Brussels, Jan 24 (AFP)—The president of the former Soviet republic of Kazakhzstan, Nursultan Nazarbayev, said Tuesday that the Kazakhstani Army remained independent of Moscow despite their recent decision to increase military cooperation.

"Kazakhzstan's National Army and Russia's national army are two separate armies, from two independent countries," Nazarbayev told a press conference after a meeting here with NATO Secretary General Willy Claes.

Nazarbayev, who did not reveal the content of his talks with Claes, said the agreement to increase military cooperation with Russia dated back to the 1992 accords which created the Commonwealth of Independent States (CIS)—the successor to the old Soviet Union.

"Seven CIS states (in 1992) signed an agreement on common defence and the creation of joint armed forces," the Kazakhzstan president noted.

Informed sources said the accord signed by Nazarbayev in Moscow on January 20 created a joint Russian-Kazakhzstan military command for planning operations and troop training.

The two countries also agreed to create a joint command for patrols along the border with China, thereby giving Russia access to a strategically important region from which it was previously excluded, the sources said.

WEF Talks Previewed; Yeltsin Stays Home, Said To Fear Coup

MK2601111095 Moscow NEZAVISIMAYA GAZETA in Russian 26 Jan 95 p 1

[Report by Andrey Poleshchuk under the "Event" rubric: "Scheduled Meeting of World Economic Forum in Davos Opens Today. Boris Yeltsin Sends Chubays in His Place, Temporarily "Choking" His Opponent Polevanov"]

[FBIS Translated Excerpt] [Passage omitted] Representatives from the former USSR have taken an active part in the Davos meetings in the past two or three years. This time around too, one may suppose that the CIS delegation will be one of the biggest. The complete list of the meeting's participants and guests will be kept secret till the last moment out of security considerations. but it is known, for example, that Ukrainian President Leonid Kuchma will be coming to Davos, and keeping him company in all likelihood will be the presidents of Kazakhstan, Uzbekistan, and Turkmenistan, who have appreciated at their true value the advantages of spending time in an uninhibited and informal way in the Swiss Alps. Many well-known Russians will also be on hand: Yuriy Luzhkov, Anatoliy Chubays, Boris Nemtsov, Sergey Shakhray, Yevgeniy Yasin, Grigoriy Yavlinskiy, Gennadiy Burbulis, as well as a big team of entrepreneurs and bankers including head of the "persecuted" "Most" Group, Vladimir Gusinskiy, who tops NEZAVISIMAYA GAZETA's popularity list of Russia's leading businessmen.

Not coming to Davos, unfortunately, is the man whose appearance there would prove the major sensation of today's meeting: Russian President Boris Yeltsin. Many people know that, according to an official version, the Russian leader canceled his planned trip to Switzerland owing to circumstances connected with the Chechen crisis. In addition to this, an informed source in the Kremlin has told your NEZAVISIMAYA GAZETA correspondent that the president's final decision was prompted also by information he came to learn "about the intrigues of a number of high-ranking Russian generals" who had planned, in Yeltsin's absence, another coup d'etat. Today, these people have been unseated.

Later, Russian Prime Minister Viktor Chernomyrdin followed President Yeltsin's suit, deciding against the trip to Davos where he went on two previous occasions (the Russian premier opened a series of visits abroad precisely by traveling to the World Economic Forum [WEF] in 1993). As a result, First Vice Premier Anatoliy Chubays, who also first visited Davos in 1993, has been tasked with leading Russia's delegation. Incidentally, the appearance at that time of "a handsome young man with good manners and excellent English" made a rather favorable impression on WEF members and potential investors in the Russian economy. Mr. Chubays was awarded the "leader of tomorrow" title (sharing it with Yegor Gaydar, Mikhail Khodorkovskiy, Aleksandr Shokhin, and Sergey Stankevich). [passage omitted]

But how high is the probability of unpleasant surprises or even protests aimed against Russia which may follow in Davos over the Chechen events? A number of Russian analysts think there will most probably be no joint political or economic actions aimed against Russia. The situation in Chechnya will, however, surely become a subject for broad discussion in the forum's plenary and working sittings.

The course of the meeting in Davos will be determined by representatives of the United States and the Federal Republic of Germany who, as is predicted, do not intend to have Russia treated roughly. London, to all appearances, shares such a stance. France may come up with a special view because the public in that country is reacting very sharply to the war in Chechnya. Besides, an election campaign is getting under way in France where the present authorities have to score points. Thus, French representatives, likewise leaders of the European Union, will be urging West European participants in the meeting for resolute actions in regard to Moscow. France may be receiving active backing from the delegates of a number of countries in Northern Europe and the Baltics. In particular, Sweden may insist on economic pressure

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against Russia with the aim of stopping military operations in Chechnya. Naturally, the Chechen issue may feature with the greatest urgency in the addresses by representatives of Muslim countries: Saudi Arabia, Iran, Jordan, Afghanistan, and Turkey, which regard Dudayev's regime sympathetically. Incidentally, not ruled out in Davos is a press conference by Dzhokhar Dudayev's own representative, and the circulation of corresponding press releases by nationalist organizations of the Northern Caucasus, the "Islamic Conference" Organization, and even by human rights groups of Russia itself. [passage omitted]

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Russian Lawmaker Fears Duma May Trigg[illegible] Collapse

LD2601175395 Moscow INTERFAX in English 1723 GMT 26 Jan 95

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Transcribed Text] Moscow January 26 TASS—An influential Russian lawmaker fears the State Duma can denounce the CIS-founding agreement which, according to him, would be detrimental to the Russian interests, but would be favoured by "certain political circles" in Ukraine, Azerbaijan and in some Central Asian states.

"In conditions of a deep political crisis in Russia the CIS- founding agreements can be denounced by the State Duma which does not meet the Russian state interests", Konstantin Zatulin, chairman of the Duma committee for the affairs of the Commonwealth of Independent States, told TASS on Thursday. The issue to revise the agreements was included into the agenda of the State Duma.

The denunciation "will play into the hands only of certain political forces and will result in the collapse of the Commonwealth of Independent States. Russia, Belarusia and Kazakhstan are naturally against it, but it (the collapse) might be welcomed by certain political circles in Ukraine, Azerbaijan and by some Central Asian states", Zatulin said.

He called on his colleagues, and especially on communists who advocate the idea of restoring the Soviet Union, to be very careful and responsible while considering the issue.

ITAR-TASS Carries Press Review for 27 Jan

LD2701063595 Moscow ITAR-TASS in English 0605 GMT 27 Jan 95

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow January 27 TASS—Russian newspapers cover President Boris Yeltsin's trip to Lipetsk region.

KOMSOMOLSKAYA PRAVDA points out that "this is the president's first trip after an almost two-month work in Moscow".

IZVESTIYA writes that "after a prolonged seclusion in the Kremlin, Yeltsin has at last set out on a tour of the country. As a rule, prior to such tours of the country, the president used to meet journalists to outline the political aim of his visit for them. But this time he spoke only about economic affairs as if the country is making strides amid a regular constructive five-year period".

The Russian press continues to highlight the events in Chechnya.

KRASNAYA ZVEZDA (RED STAR) carries an interview with Major- General Yevgeniy Nikitenko, deputy chief of the Military Research Department of the General Staff of the Russian Armed Forces.

Nikitenko believes that the availability of heavy armaments with unlawful armed groups made it unlikely that the assigned task could be accomplished without the army's involvement. However, a miscalculation has been made in a forecast for the scope and stubbornness of the unlawful formations' resistence".

The general said that from a purely theoretical point of view, there was a chance to carry out the operation without losses. Several massive fire assaults would have been needed in order to practically completely destroy Dudayev's mini-army.

"If the entire power, which is still available with the Russian Armed Forces, were used in Chechnya, even a shadow of Dudayev's militants would not have remained on the face of the earth. But Groznyy is not a desert and it did not appear possible to stage a 'Desert Storm' there."

ROSSIYSKAYA GAZETA writes that "the military operation in Chechnya has entered a final stage. It is apparent that the democrats' massive pressure on the executive authority to induce it into discontinuing the operation and entering into negotiations with Dudayev virtually on his terms has not produced the desired result".

ROSSIYSKIYE VESTI maintains that "a half of people in Russia do not understand on whose side the truth in Chechnya is. According to an opinion poll taken by the public opinion foundation only 37 percent of people said 'the truth in Chechnya is with Russian troop'". Eleven percent of respondents believe that "the truth is on the side of the Chechens" and 51 could not give a definite answer.

"Growing confusion in society is of benefit only to destructive forces and can only provide hardliners with additional arguments".

NEZAVISIMAYA GAZETA runs a column of reports on the topic of Chechnya under the headline "the Kremlin frowns upon the conduct of Pavel Grachev".

"The Kremlin has been particularly displeased by the Grachev's conduct when he substantiated any Chechnya-related decisions on his by appropriate allusions to Russia's Security Council, dodging personal responsibility and indirectly shifting it to the Security Council, i.e. the president".

The newspaper points out that the Kremlin displeasure applies not only to Grachev himself but also to his

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immediate entourage, aides, deputy ministers, who ostensibly manifest particularly strong opposition sentiments.

"It is precisely in this key that one must view the announced Defence Ministry reorganisation plans which Boris Yeltsin intends to set about implementing shortly."

PRAVDA, in an article headlined "the abc for smart kids", turns to economic problems, those in agriculture, in particular.

"People in the West have long realised that agricultural production is in need of planning and the farmer needs state protection".

RABOCHAYA TRIBUNA winds up the publication of a series of documents on privatisation in Russia with an article headlined "there is no one to blame, as usual". In its Friday edition the newspaper runs "materials dealing with procuratorial inspections which point to thousands of offences in the division-of-property sphere".

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OSCE Delegation Unlikely To Meet Dudayev

LD2601203795 Moscow ITAR-TASS in English 2014 GMT 26 Jan 95

[By ITAR-TASS diplomatic correspondents Dmitriy Gorokhov and Yuriy Kozlov]

[FBIS Transcribed Text] Moscow January 26 TASS—During its forthcoming trip to Chechnya, the Organization for Security and Cooperation in Europe (OSCE) intends to concentrate on the general situation about human rights in the conflict zone and does not plan to investigate into specific cases of their violation, the OSCE chairman's envoy Istvan Gyarmati told a news conference for Russian and foreign journalists in the Hungarian embassy here.

According to Gyarmati, such cases are to be examined first of all by the Russian authorities, while the OSCE and the Council of Europe are ready to render appropriate assistance. This assistance means not mediation in settling the crisis, but cooperation in solving humanitarian issues caused by the Chechen conflict. The Russian leadership shows interest in developing such cooperation in the human rights sphere, he emphasised.

The head of the OSCE delegation noted that the schedule of the three-day trip would be extremely heavy. The delegation members are expected to meet representatives of various sections of the Chechen people. As for contacts with Chechen leader Dzhokhar Dudayev, Gyarmati said they would hardly take place because of technical difficulties. The OSCE official believes Dudayev cannot claim to be the legitimate leader of the Chechen people, since he was not brought to power by virtually free elections.

The delegation plans to pay special attention to the conditions in which prisoners are kept, according to Audrey Glover, head of the OSCE Bureau for Democratic Institutions and Human Rights. It is necessary that Red Cross officials have a free access to them, she stressed.

Besides Gyarmati and Glover, the delegation includes Finnish Ambassador to the OSCE Rene Nuberg and French diplomat Regis de Belene representing the country that presently chairs the European Union. They will be accompanied by Russia's Human Rights Commissioner Sergey Kovalev, Russian lawmakers, Defence and Foreign Ministry officials. During its trip, the delegation is scheduled to visit Mozdok, Nazran and Groznyy.

Gyarmati declined to elaborate on the details of the forthcoming meetings, since he prefers speaking immediately to the negotiating parties rather than through the mass media. He promised to inform reporters about the results of these meetings at a news conference upon his return to Moscow on Monday.

Chechen Spokesman: OSCE-Dudayev Meeting 'Possible'

LD2701053195 Moscow Radiostantsiya Ekho Moskvy in Russian 0500 GMT 27 Jan 95

[FBIS Translated Text] During their visit to North Caucasus, the Organization for Security and Cooperation in Europe [OSCE] representatives expect to meet all sides in the conflict, including Dzhokhar Dudayev. Here is what Chechen media spokesman Movladi Udugov told our radio station:

[Begin Udugov recording] According to our information, the OSCE mission should first arrive in Mozdok and then Nazran. It is expected in Groznyy on Sunday [29 January].

According to my information Chechen President Dzhokhar Dudayev has given necessary instructions in order to establish contact with the OSCE mission. A meeting between the OSCE and President Dudayev is quite possible. [end recording]

High-Placed Diplomat: OSCE Cannot Mediate in Chechnya

LD2601162295 Moscow INTERFAX in English 1547 GMT 26 Jan 95

[FBIS Transcribed Text] Moscow, January 26, RIA NOVOSTI—The Organisation for Security and Cooperation in Europe cannot act as an intermediary in resolving the crisis in Chechnya.

This was stated to a RIA Novosti correspondent by a high-placed Russian diplomat in the run-up to a January 27 trip of an OSCE delegation to Chechnya.

In his view, the trip will be "more fact-finding, than peace- keeping".

"The Chechnya problem is neither religious nor ethnic, but an internal conflict between the Russian authorities and illegal armed units, so participation of any international organisation in its settlement would be hardly acceptable," he emphasised.

At the moment the OSCE delegation is in Moscow and has already had talks with representatives of Russian authorities concerning settlement in Chechnya.

"On the whole we are satisfied with the way relations are shaping up between Russia and the OSCE on the Chechen issue," said the Russian Foreign Ministry's spokesman.

In his opinion, a clearer definition of conditions for coordination of efforts is needed. Thus, the organisation could help with humanitarian problems and human rights and also the establishment of democratic structures in the Chechen republic, he said.

The Russian diplomat recalled that OSCE documents contain its members' commitment not to allow on their

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territories any illegal armed units. It was their presence that led to the Russian government's current reaction to the developments in Chechnya.

NATO Seen Pursuing 'Controlled Crisis' Strategy in Bosnia

MM2001145595 Moscow KRASNAYA ZVEZDA in Russian 26 Jan 95 p 3

[Report by Sergey Sidorov: "Anglo-Americans Will 'Command War' in Bosnia. United States Reinforces Corps of Military Advisers in Croat-Muslim Federation"]

[FBIS Translated Text] The United States is sending retired General Frederick Franks to Bosnia-Herzegovina to help the Croat-Muslim Federation set up and strengthen unified armed forces. So said THE NEW YORK TIMES citing U.S. officials.

The 58-year-old general commanded the U.S. Army 7th Corps during the 1991 Gulf War. Interestingly one of his subordinates during this war was British Lieutenant General Rupert Smith, who took command of the 23,000-strong "blue helmet" contingent in Bosnia from Lieutenant General Michael Rose Wednesday [25 January]. During the hostilities against Iraq Smith commanded Britain's First Armored Tank Division, which temporarily came under the jurisdiction of the 7th Corps. Both generals, according to the newspaper, were filled with respect for one another and have since then maintained friendly relations. But in Bosnia their role will be sharply contradictory and potentially capable of leading to conflict. Gen. Smith will have under his jurisdiction peacekeeping forces, whose aim is to put an end to the war in Bosnia. Gen. Franks in turn will be trying to strengthen the Muslim and Croat military alliance, the objective result of which will be to prolong the war with the Bosnian Serbs.

A number of observers view this kind of "cooperation" as astonishingly eloquent confirmation that NATO is pursuing a "controlled crisis" strategy in the former Yugoslavia. Many experts believe that this strategy's final objective is to split Bosnia-Herzegovina into two parts (between the Serbs and the Croats) while at the same time generally weakening the "Serb factor" in the Balkans. Typically, while continuing the sanctions against the Federal Republic of Yugoslavia, (Serbia and Montenegro), despite its aid for the peace process in Bosnia, the European Union announced its intention Monday [22 January] of concluding an agreement on trade and economic cooperation with Croatia—once again regardless of Zagreb's decision to suspend the "blue helmets'" mandate in Croatia after 31 March.

In addition to Franks another prestigious retired U.S. military commander is performing his mission in Bosnia—John Galvin, former NATO supreme joint allied commander Europe. He has for some time now been the Croat-Muslim Federation's military adviser. However, as THE NEW YORK TIMES writes, as yet he "has not succeeded in overcoming the Muslims' and Croats' mutual suspicions, which is hampering the creation of a single command and the formulation of joint strategic objectives."

Kozyrev Comments on Relations With NATO

LD2601181495 Moscow ITAR-TASS in English 1738 GMT 26 Jan 95

[By ITAR-TASS correspondent Dmitriy Gorokhov]

[FBIS Transcribed Text] Moscow January 26 TASS—Russia is not going to move slow in the regulation of its relations with NATO, Russian Foreign Minister Andrey Kozyrev said today addressing the State Duma Committee for International Affairs.

Kozyrev said NATO is experiencing transformation since the alliance was set up during the "Cold War" as a deterrent to the Soviet block. However, NATO members are so far unable to say where the alliance is moving, Kozyrev pointed out. Today NATO actually gives seventeen answers to this question, when nuances of stances of its 16 member states and of its secretary general are taken into account, Kozyrev said.

As for roles of NATO in the evolution of a new European securtity model, Kozyrev said answers were initially sought in practical cooperation. This was the meaning of the "Partnership for Peace" programme for Russia. However, the December meeting in Brussels showed a shift of NATO's focus—NATO's expansion is now seen as a goal and the programme only as a means. With this in the background, Russia wants to know NATO's vision of the future of russia, Kozyrev said.

The foreign minsiter said the "snag" in relations with NATO occurred because the Russian delegation to the Brussels meeting was handed a draft document which required scrutiny to be signed. Kozyrev stated that his January 17-18 talks with U.S. Secretary of State Warren Cristopher in Geneva, with Russia—NATO relations as a major subject, were constructive and had "a search format".

Russia intends to develop its relations with NATO, coordinating this process with its CIS neighbours, Kozyrev said. CIS foreign ministers plan a special conference to discuss the range of European security issues, Kozyrev said.

Willy Claes on NATO Crisis, Chechnya War

954F0994A Moscow MOSKOVSKIYE NOVOSTI in Russian No 3, 15-22 Jan 95 p 11

[Interview with NATO Secretary General Willy Claes by Aleksey Pushkov, MOSKOVSKIYE NOVOSTI deputy editor in chief; place and date not given: "Willy Claes: '...We Must Not Preclude the Possibility of Some Kind of Special Agreement Between NATO and Russia...'"]

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[FBIS Translated Text] The NATO bloc has had various leaders—some with a military past, some with a diplomatic past. But we have not yet seen a secretary general who was a professional musician. Willy Claes, pianist and conductor, was raised in the family of a professor of music. He received his music education in Brussels, and was able to combine his passion for art with a successful political career. Even today he sometimes, but not frequently, takes a holiday to go off and conduct an orchestra. He receives a good number of invitations on this account, and has received one from Russia in fact. True, Claes is not sure he can accept it. He must devote almost all his time today to another business, one that requires no less experience or professional qualification—the job of directing NATO under conditions where the bloc is having difficulty determining its role in the new Europe.

This Willy Claes interview with MOSKOVSKIYE NOVOSTI is his first with a Russian newspaper since his appointment as NATO secretary general.

[MOSKOVSKIYE NOVOSTI] Mr. Secretary General, you have been involved in politics for a long time. Did you ever think you would one day head NATO?

[Claes] You know, when I first saw my name on the list of possible candidates—I think it was in the INTERNATIONAL HERALD TRIBUNE—I was astonished. Generally speaking, it is impossible to predict appointments to this post—consultations in this regard have always been more or less closely held. Then when the offer reached me officially, I agreed, insofar as in my view NATO is capable of accomplishing a very great deal in creating a new architecture of security in Europe.

[MOSKOVSKIYE NOVOSTI] You have come to NATO at a very difficult time for the organization...

[Claes] I came at the best time!

[MOSKOVSKIYE NOVOSTI] True, these are unusual times and you have an opportunity to make history. Nonetheless, many people say that unless the bloc finds a new motivating concept, it will collapse. They point to serious disagreements within the bloc concerning policy in Bosnia. Do you believe NATO is undergoing crisis?

[Claes] No, I do not think so. Of course we have problems, but I do not know of a single international organization that does not. NATO is a democratic organization comprised of 16 countries. All of its decisions must be adopted unanimously, and that is not easy. Especially since following the end of the Cold War—which makes me happy in and of itself, NATO does not have a clearly defined enemy. As far as Bosnia is concerned, very serious discussions were held in NATO several months ago when the United States was talking about the possibility of unilaterally lifting the embargo on arms shipments to the former Yugoslavia. In response, the governments of Western Europe told the Americans: If you take this action, we will reach a decision to recall the "Blue Helmets" from the region. But let us not exaggerate the consequences of these disputes in NATO activity.

[MOSKOVSKIYE NOVOSTI] How great is the disagreement among NATO members on matters pertaining to the creation of a new structure of European security?

[Claes] Here in NATO we have something greater than a basis for consensus. The North Atlantic Cooperation Council was established, in which former Warsaw Pact members were invited to participate. Then we developed the "Partnership for Peace" program, which enables us to develop cooperation with these countries in both the political and military spheres. We are also relying here on enhancing opportunities for the peacemaking process on the European continent and stimulating democratization of the armies and defense ministries of these countries. Some 24 states have already signed the NATO partnership program, of which nine have individual cooperation programs and eight are discussing such programs with us.

[MOSKOVSKIYE NOVOSTI] In Russia, as you are aware, the prospect of NATO expansion through entry of East European countries into the bloc has elicited special anxiety.

[Claes] The decision to expand was made at a summit meeting of the heads of NATO member states in January of last year, where it was emphasized that this would be "the result of an evolutionary process." It is therefore entirely logical and normal that, having made such a decision, a decision that we ourselves did not initiate but which was rather prompted by requests from the countries of Central and Eastern Europe, we considered it necessary to begin internal discussions. But these were not decisions on whom to accept in NATO when, but rather on what criteria expansion of the bloc should be based.

We have no intention of turning this expansion into a "new Yalta" or marking new lines of demarcation in Europe. And we have absolutely no thoughts of isolating Russia—which is precisely why we proposed that Russia join the Partnership for Peace. Moreover—and this is unique in and of itself, another document was signed by us and Minister of Foreign Affairs Kozyrev with the aim of "developing broad and intensified dialogue" between NATO and Russia. This dialogue is not intended to be limited to an exchange of information, but to involve consultations and cooperation as well, especially in those spheres related to maintaining security.

[MOSKOVSKIYE NOVOSTI] After Andrey Kozyrev's defiant refusal to implement documents on cooperation between Russia and NATO, Moscow found itself in a difficult situation, as I understand it. Now the leadership of Russia's Ministry of Foreign Affairs must obtain certain new guarantees or promises from NATO in order to justify the change in its already declared position. For

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having said "no" on 1 December of last year at the NATO Council session, Kozyrev will obviously not be able to simply say "yes" two months later without obtaining something in exchange. Is NATO prepared to provide Russia some additional guarantees?

[Claes] You see, we are prepared to continue discussions. Of course we do not want to establish any kind of discrimination between Russia and our other partners within the framework of the partnership. That is impossible. But we are prepared to add another serious element to our dialogue which may become the foundation for regular meetings according to the "16 plus one" formula (16 NATO members plus Russia) to develop cooperation in the security sphere. There are a great many potential opportunities here which, it seems to me, have not been explained to Russian politicians or to the population of your country. I cannot even imagine right now what Russia would want more!

In this regard, of course, NATO is not prepared to afford Russia any right to veto NATO decisions. I am not saying that the Russian Government is seeking to obtain such a right—I just want to provide clarification on this account. We were somewhat generally surprised when Kozyrev came to NATO headquarters to announce to us at the last minute that he was not prepared to implement either document drawn up as a result of the negotiations between NATO and Russia. In response, we repeated to him that we were ready at any moment to meet with our Russian friends and explain to them that our intentions are constructive in nature.

[MOSKOVSKIYE NOVOSTI] What would you say about the criteria and conditions for acceptance of new members into NATO?

[Claes] We have initiated a study of these conditions. When we get the results, we will be prepared to provide them to all interested countries, including Russia. We have no secrets here.

[MOSKOVSKIYE NOVOSTI] Can you entertain the possibility of Russia's participation in NATO?

If it were not a Russian journalist asking me this question, but rather a Polish one, I would respond the same way I am about to respond to you. And that is—as of today, I do not have an answer to this question. Who will join NATO when—has never, I repeat, never been discussed in NATO either officially or unofficially. First we must get an answer to the question: "How are new members admitted?"

I have already stated that a consensus is required to adopt any NATO decision. I can assure you that with 16 members, this is not an easy task. But you can only imagine how complicated it would be if NATO consisted of 20-25 members. Then there is the budget side of the question. And finally, the most important aspect—according to Article 5 of the Washington Treaty, if a member country is subject to attack, all the other members view this as an attack upon themselves. In short, we are talking about complete solidarity among members. It is no easy matter to expand such solidarity. In addition, all countries joining the bloc must meet certain definite parameters. We do not need simply "security consumers," so to speak. For this reason it is necessary that all these issues be discussed very seriously before the next exceedingly important question is examined: Who is to be accepted into NATO? Today this is an open question.

[MOSKOVSKIYE NOVOSTI] Recently you called upon the Russian leadership to limit its military operations in Chechnya, especially those leading to casualties in the civilian population. Have the events in Chechnya influenced NATO's readiness to seek compromise with Russia?

[Claes] Public opinion in Western Europe has reacted extremely negatively to these events. I would not be surprised if tomorrow your country is faced with a reflection of such sentiment in the form of resolutions adopted by some national parliament or by the Europarliament. We have always stated that we will in no way put Russia's territorial integrity into question. But we do not believe that observance of the Geneva Conventions on Human Rights or Code of Conduct of the Organization for Security and Cooperation in Europe can be seen as a purely internal matter. The human rights problem is, without a doubt, an international problem. Thus we appeal for a cessation of the violence which can have direct consequences for the peaceful population. I am still hoping the Russian Government will be able to find a peaceful solution in the near future.

[MOSKOVSKIYE NOVOSTI] Is the opinion often expressed today in the West that NATO should conclude a security treaty with Russia?

[Claes] We have not yet discussed either who will join NATO or the nature of our special mutual relations with Russia. But we must not rule out the possibility itself of some kind of special agreement. This is not yet an issue on the agenda, but the idea is positive and constructive in nature. It will have to be discussed at the right time.

[MOSKOVSKIYE NOVOSTI] Do you not think a meeting between you and President Yeltsin would be useful?

[Claes] Well, this cannot be ruled out. But such meetings at the highest level require very serious preparation. I find it difficult to imagine a repetition of the little clash that took place during Kozyrev's most recent visit here. That would be bad for relations between Russia and NATO. So let us see what the climate will be like in these relations in the coming weeks. But I would like to tell you that a very curious invitation has been lying on my desk for several weeks now—to visit Russia to conduct a symphony orchestra during the Moscow Music Festival. And so, I do have an opportunity to travel to Moscow,

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and I could use this to participate in a few political meetings. But for the time being I would prefer to wait before making a decision.

[MOSKOVSKIYE NOVOSTI] You would not be able to be in Moscow only in the capacity of conductor?

[Claes] No, of course not! Although I have already tried—and with a certain success—to combine political visits with musical activity. In autumn of 1993, for example, during the crisis involving 400 Palestinian hostages in South Lebanon. At that time I was minister of foreign affairs and paid a previously planned visit to Israel. My special assistants advised me to postpone the visit so that it would not be perceived as support for Israel's actions. But I went all the same. Primarily to express to them the truth—my truth. But also to try to use this visit to promote ideas of peace. Everything was done in balanced fashion. First I went to Israel and gave a concert in Jerusalem. Then I travelled to Cairo where I gave a concert with the Cairo Opera. I have given concerts during other political trips as well—to Sofia, Bucharest...

From the MOSKOVSKIYE NOVOSTI Files

Willy Claes was born 24 November 1938 in the family of a music professor. In 1960 he completed his studies with the Diplomacy and Political Science Faculty of Free University in Brussels.

He was first elected to the parliament at age 30, representing the Belgian Socialists. At age 34 he became one of the youngest ministers in the country's history, attaining the post of minister of economics. He occupied this position and that of deputy prime minister until 1982, and then in 1988-92. In 1992 he was appointed deputy prime minister and minister of foreign affairs of Belgium. In July 1992, he was elected chairman of the Union of Socialist Parties of the European Community. His appointment as NATO secretary general came in September 1994, following the death of Manfred Woerner.

His wife, Susan Meynen, was formerly a nurse and obstetrician, and is now a member of numerous associations involved in psycho- sociological and medical assistance. They have two children.

Russia, Kazakhstan Sign Border Cooperation Agreement

LD2601174295 Moscow INTERFAX in English 1402 GMT 26 Jan 95

[FBIS Transcribed Text] Omsk, Jan 26 (INTERFAX)—Russia's Deputy Prime Minister Aleksey Bolshakov and his Kazakh counterpart Vitaliy Mette signed an intergovernmental agreement on cooperation between border regions in Omsk Thursday.

As Bolshakov has told Interfax, the accord allows obstacles to the exchange of commodities and services to be removed, at local resources' expense.

He stressed that in line with the agreement state bodies must draft proposals on delimiting powers in foreign economic activity between federal authorities and local administrations.

Russia and Kazakhstan are to coordinate transformations along their common border soon towards setting up interregional joint stock companies and commercial groups.

The two republics pledge to simplify border customs and import procedures for border residents.

There are plans to create "favorable conditions for passenger and cargo transportation and for transit haulage across the neighboring territories."

Bolshakov told Interfax that Russia will remove the custom posts along its border with Kazakhstan "only after Kazakhstan will bring its custom legislation in conformity with the custom union accord, signed by Russia, Belarus, and Kazakhstan in Moscow on January 20."

Kozyrev on Conflict Between Grachev, Germany's Ruehe

LD2601155495 Moscow ITAR-TASS in English 1526 GMT 26 Jan 95

[By ITAR-TASS correspondent Dmitriy Gorokhov]

[FBIS Transcribed Text] Moscow January 26 (TASS)—Russian Foreign Minister Andrey Kozyrev regrets the incident which has taken place between the Russian and German defence ministers, but said German foreign policy is determined by the chancellor and the foreign minister, rather than the defence chief.

"I regret that emotions ran high on both sides", Kozyrev told the State Duma committee on foreign affairs on Thursday adding that the incident should not be dramatised because "there are situations in any state when a government member takes over improper functions".

The incident began after Russian Defence Minister Pavel Grachev publicly branded Russia's human rights commissioner Sergey Kovalev as "traitor" and "enemy" for his resolute opposition to the use of force in Chechnya. Grachev also branded chairman of the State Duma Defence Committee Sergey Yushenkov as a "Sleazebag".

German Foreign Minister [as received] Volker Ruehe responded that Grachev was not welcome in Germany at a forum on European security in early February.

Grachev fired back by saying that he would not "stand at attention" after Ruehe's statement, but said he was not planning to go to Germany.

Kozyrev qualified Ruehe's reaction as having an "optional character". "We deal with the chancellor and the foreign minister as they are the two figures who speak on behalf of the German state on foreign policy issues", Kozyrev said, but added that Russia is interested in

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developing contacts between various ministries of the two countries, including the military ones.

Further Kozyrev Comments on Ruehe

LD2601172995 Moscow NTV in Russian 1600 GMT 26 Jan 95

[Video report by Ernest Matskyavichus]

[FBIS Translated Excerpt] Today Foreign Minister Andrey Kozyrev spoke to his colleagues from the Duma Foreign Affairs Committee with a detailed analysis of the international reaction to the Chechen events. [passage omitted] The Foreign Minister declined to assess the effect of Pavel Grachev's recent remarks about Sergey Kovalev and Sergey Yushenkov, but he agreed to comment on the response of German Defense Minister Ruehe.

[Begin Kozyrev recording] This demonstrates the fact that a situation may emerge in any state when a defense minister, or some other Cabinet member, begins to take on himself inappropriate foreign political functions. However, our target is cooperation with Chancellor Kohl and Foreign Minister Kinkel, who are our international partners, according to the Constitution of the FRG.

Asked in conclusion how he regards the position of the Liberal Democratic Party of Russia faction in the Chechen conflict, Kozyrev said that any support by Zhirinovskiy in any form upsets him a lot. [end recording]

Kozyrev Lauds Aid to Tajikistan as Sign of CIS Cooperation

LD2601154695 Moscow INTERFAX in English 1402 GMT 26 Jan 95

[FBIS Transcribed Text] Moscow, Jan 26 (INTERFAX) - The Commonwealth members' efforts to normalize the situation in and around Tajikistan do not conflict with the endeavors of the U.N., the OSCE and other international institutions or run counter to them, said Russia's Foreign Minister Andrey Kozyrev in Moscow Thursday. He addressed a conference attended by his counterparts from Kyrgyzstan, Kazakhstan, Uzbekistan and Tajikistan.

As Kozyrev said, "aid given to Tajikistan in protecting its borders and promoting democratic processes is an example of concrete interaction between CIS countries."

With reference to the aims of the present conference Kozyrev said: "Ripe is the need to discuss how to help the people of Tajikistan further, how to contribute to the inter-Tajik dialogue and develop political processes in that CIS republic."

In the meantime a high-ranking diplomat from Kozyrev's entourage conceded that there are some differences in Russia's and the UN's approaches to how to reach a settlement in Tajikistan.

"The situation where the UN spends millions of dollars on its operation in Haiti and finds no money for a peacekeeping operation in Tajikistan cannot help giving rise to surprise," he said.

Russia and its CIS partners will press for increasing the number of UN observers in Tajikistan, the diplomat said. "At present there are inadmissibly few—only 18—of them there," he noted.

With reference to prospects for resuming the inter-Tajik talks the diplomat said that another round of talks between Dushanbe and the opposition will take place, as planned, in Moscow in the first half of February. "An exact date for talks might be announced today or tomorrow," he concluded.

PRC Foreign Ministry Criticizes Ouster of Illegal Aliens

LD2601163595 Moscow ITAR-TASS in English 1403 GMT 26 Jan 95

[By ITAR-TASS correspondent Pavel Spirin]

[FBIS Transcribed Text] Beijing January 26 (TASS)—A Chinese Foreign Ministry official called on authorities of the Russian Far East to avoid human rights violation in progress of Operation Foreigner which is being conducted to identify and oust the Chinese who illegaly stay in Russia.

Shen Guofang, press department director of the Chinese Foreign Ministry, told ITAR-TASS that Russia's effort to expel Chinese citizens who do not abide by Russian law was understood in China. China hopes, however, that Russia will comply with interntaional procedures, and will not do harm to lawful rights, interests and dignity of Chinese citizens, Shen Guofang added.

According to the ministry official, China has been undertaking "very serious measures" to prevent unwarranted staying of its nationals in Russia. Chen Guofang expressed confidence that this problem would be resolved with broadening cooperation between the two countries.

Official reports say 769 Chinese with overdue visas or forged papers have been deported since December 29, the start of Operation Foreigner which is carried out by Russian Border Guard units, the Interior Ministry and the Federal Counterintelligence Service. Thirty Chinese were arrested for border crossing only in January.

Espionage Claims Seen Stemming U.S. Body's Donations

MM2601142595 Moscow IZVESTIYA in Russian 26 Jan 95 p 1

[IMA-PRESS report: "Soros Foundation Stops Funding Russian Science"]

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[FBIS Translated Text] Accusations of carrying out intelligence activity on Russian territory leveled at the Soros Foundation have caused it to effectively halt further funding of Russian science, Academician Vitaliy Goldanskiy stated at a press conference 24 January. Thus, whereas in 1993 and 1994 the Americans allocated around $100 million to the needs of Russian science, this year they have allocated only $12.5 million, and that on condition that the Russian Federation Government offers a similar sum. At the same time, in answer to a question from an IMA-PRESS correspondent, the academician noted that Western spies are indeed actively hunting out certain Russian technologies.

West's Unconcern Over Chechnya Criticized

MM2601134195 Moscow PRAVDA in Russian 26 Jan 95 p 3

[Report by Vladimir Bolshakov under the rubric "Around the Events in Chechnya": "The West's Dilemma: Should It Save Yeltsin or Let Him Drown?"]

[FBIS Translated Text] Paris—It was pouring with rain in Paris. I had no desire to drag myself to the Pompidou Center at the other end of town to attend the press conference given by participants in the little-known "Greater Europe" Commission.

Nevertheless I did go because the composition of the commission (which, incidentally, was set up in Vienna in May 1993 and met subsequently in St. Petersburg in July 1994) spoke for itself. It is headed by Paris Mayor Jacques Chirac, one of the most influential politicians in the country and a current contender for the French presidency. The commission includes former prime ministers of Sweden and Portugal; Wim van Eekelen, secretary general of the WEU, Otto, Count Lambsdorff, president of the Liberal International; Austrian Foreign Minister Alois Mock; and others.

On the Russian side, Anatoliy Chubays is a member of the commission leadership while K. Borovoy, G. Burbulis, V. Tretyakov, and G. Yakunin, who took part in the press conference at the Maison de l'Europe, are members of the commission. S. Karaganov, a member of the Russian Presidential Council, and G. Sidorova, Kozyrev's envoy, travelled to Paris with them. Chubays did not come to Paris.

The main question facing the Paris session of "Greater Europe" was not so much the economic as the political integration of the European countries, primarily by the expansion of NATO.

But the main concern of the democrats who arrived in Paris from Russia was not so much to discuss the plans to expand NATO (Borovoy and Yakunin support the East European countries' inclusion in the organization; Tretyakov, for example, does not) as to give an account of how they personally regard events in Chechnya and how the West should view them.

It immediately became clear that the attitude of Russia's officially-approved democrats to Yeltsin's regime hardly differs from that of their Parisian "colleagues."

G. Yakunin even called on the West's "rapid reaction forces,"—fortunately meaning the political forces and not the ones at the U.S. military base at Fort Bragg—to "halt the triumphant march of totalitarianism" in Russia. K. Borovoy urged: "The position of the commission (of Greater Europe—V.B. note) must be as follows: To prevent the transformation of the regime (in the Russian Federation—V.B. note) into a fascist regime.... No matter how absurd it may seem, political and economic isolation is a factor preserving the possibility of reforms...." And so on and so forth.

Borovoy's call for the isolation of Russia sounded so absurd that Chirac tried to ease the tension and read out Lermontov's well-known poem about the "Chechen" who "sharpened his dagger." He quoted Lermontov to show how far back the roots of the Russian-Chechen conflict go and why, in his opinion, the Russian democrats should not resort to extreme measures.

Without delving into an analysis of the disagreements dividing the Russian democrats (I think that Russian people know what they are worth and there is nothing to add or subtract here) I will note what in my view is the most important thing: The West is less critical in its assessments of the actions of President Yeltsin and his entourage in Chechnya than yesterday's "president's party" among the Russian democrats has been.

When Mr. Hans van den Broek, the European Parliament's commissioner for East [European] relations, proposed on 5 January this year that the signing of the agreement on trade relations between the Russian Federation and the European Union [EU] be postponed as a gesture of displeasure at Russia's conduct in Chechnya, many people thought that this was just the beginning of broad "protest" sanctions by the West. But as early as 21 January at a meeting with Russian Foreign Minister A. Kozyrev in Bern, German Foreign Minister K. Kinkel opposed all EU sanctions. And the 23 January meeting of EU foreign ministers, involving Austria, Finland, and Sweden for the first time incidentally, confirmed Kinkel's position.

The West's timid criticisms of the Kremlin and the calls to "observe human rights" have produced an amusing reaction: S. Filatov, head of the president's staff, recently presented Miguel Angel Martinez, the chairman of the Council of Europe's Parliamentary Assembly, with an official document in which the Russian leaders solemnly promise to observe all the Council of Europe's recommendations (first and foremost with regard to human rights). The document was signed by B. Yeltsin, V. Chernomyrdin, I. Rybkin, and V. Shumeyko. And although, as Martinez stated, it is necessary to put the consideration of Russia's application for Council of Europe membership on ice because of the grave conflict in Chechnya, there are no objections in principle to

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Russia's admission among the Council's leadership. Martinez willingly accepted Filatov's story that the "military phase" of the Chechen conflict is coming to an end, that the "restoration" of the republic's wrecked economy is about to begin, and that V. Shumeyko and S. Kovalev have already been invited to the next session of the Parliamentary Assembly in Strasbourg.

The question of Chechnya will surely be raised again at the next session of the assembly which starts 30 January. The Russian troops will clearly not have left Groznyy by then and the violation of human rights will hardly have ended in mass order. But no one is going to give Russia's application for Council of Europe membership back to V. Shumeyko. Even if S. Kovalev asks them to.

So what is going on? Why are we not seeing any noisy demonstrations outside Russian embassies in Europe? Why are the NATO countries' parliaments not adopting angry resolutions on the bombing of Groznyy and the obvious genocide of the Chechens which may be the fault of Dudayev (I am not going to argue with the Russian president here) but is being carried out on the order of Mr. Yeltsin? Why are earnest resolutions condemning the slaughter of civilians in Chechnya not being adopted by the United Nations and other international organizations? Is it really so long ago that they fulminated against the Soviet Union with good cause (such as Afghanistan) and without?

Clearly you do not attack your own kind. The nature of the social system in the Russian Federation has changed and there is no longer any need for loud anticommunist campaigns about "violations of human rights." The Cold War has been won and its slogans have been consigned to the archives. This is further confirmation—albeit with hindsight—of the universal hypocrisy of the Western "human rights defenders," ranging from public figures and parliamentarians to premiers and presidents.

As paradoxical as it may seem, the war in Chechnya suits the West for a whole series of reasons. First, it weakens Russia, which in itself suits the West. The French press is already summing up the obvious results of this adventure for Russia. Hardly has the stabilization of the Russian economy begun than it has been wrecked. Inflation is taking off again. The budget deficit threatens to assume gigantic proportions. Aid for the most unfortunate strata of the population and for the humiliated and impoverished Russian military will have to be forgotten—they have already been warned that the cost of rebuilding Chechnya will have to be borne by the military budget.

Second, the war in Chechnya played into the hands of the organizers of NATO's "expansion." In addition to the aforementioned "Greater Europe" session, I would like to quote at least the following passage from a William Safire article in the INTERNATIONAL HERALD TRIBUNE entitled "We Cannot Trust Russia, So Let the Alliance Grow."

"It is necessary to support the expansion of NATO while we have the chance—now, with Russia preoccupied."

I would note that Safire is calling not just for the whole of East Europe to be drawn into NATO but the former Soviet Baltic region too. The stakes, as we can see, have been raised.

Third, the war in Chechnya, the West believes, will make the Russians more compliant toward the demands of the IMF and other Western instruments for the economic colonization of Russia. At the same time the war provides a pretext for withholding yet again the loans and credits that have already been promised. The economic catastrophe that is threatening the Russian Federation will soon be used by the West to demand new privileges for its industrial companies and banks and for taking Russia's national wealth, including the land, as surety.

To put all these scenarios into effect the West needs "its" team in the Kremlin. People both across the ocean and in Europe realize that Yeltsin and his entourage are a junta of the most antidemocratic type and the solution of the Chechen problem by Yeltsin is "hardly less harsh than Stalin's solution" (THE WASHINGTON POST). Nevertheless, British Foreign Secretary Douglas Hurd, who arrived in Washington recently, stated almost openly that "the West must continue giving united and public support to Yeltsin as the personification of the democratic reforms come what may." This is the stance taken during the shelling of the Russian parliament by tanks in Moscow in October 1993 and again during the shelling of "Dudayev's palace" and the whole of Groznyy in December 1994-January 1995. "Repressive democracy" Russian-style (this Western term dates back to October 1993) suits the Western supporters of Russia's "reforms" down to the ground. Human rights are neither here nor there. They do not give a damn about human rights: The stakes are too high. They have paid too high a price for penetrating Russia and there are still things left to take or steal. But the main point is that Russia has not become fragmented, its nuclear weapons are not under the West's control yet. There is a time for everything, as the saying goes. A time to sow and a time to reap. A time to build up and a time to break down.

In short, General Grachev can rest easy: No one is going to get in his way in Chechnya. The only snag is that he will not be allowed to go to the land of his beloved Mercedes for some time yet.

As for the "democrats," they were simply being quick to cause a fuss in their attempt, as always, to be more "catholic" than the Western "pope." Looking beyond all this fuss and observing the contenders for the Russian leadership, the West has rightly decided that they are somewhat minor individuals. And so they have opted for Yeltsin once and for all. There is no alternative at the moment. And even though in Paris, for example, they have never loved him and, according to Jim Hoagland, they "would not shed tears if Yeltsin were ditched during the present crisis," the West on the whole supports not

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Ye. Gaydar, with his incessant babbling in English, nor human rights campaigner S. Kovalev, who are not contenders for the Kremlin, but B.N. Yeltsin who only speaks Russian and even then uncouthly. He has given a good account of himself. The West can count on him.

As for his relations with the democrats, he can sort things out with them as he did in the past with Rutskoy and Khasbulatov. It is no coincidence that Burbulis stated in Paris that "today Russia must be saved from the democrats with their rallies and from the overzealous reformers."

In its evolution from "18 Brumaire Russian-style" (October 1993), Yeltsin's regime is almost following the road taken by Napoleon Bonaparte: to the Directory (in our case the Russian Security Council), then to the Consulate, then to being the sole consul, and you know the rest yourselves. Will we live to see the coronation?

Citizenship Issue Barrier To Yeltsin Visit to Ukraine

LD2601144395 Moscow ITAR-TASS World Service in Russian 1354 GMT 26 Jan 95

[By ITAR-TASS correspondents Nikolay Zagnoyko and Andrey Shtorkh]

[FBIS Translated Text] Lipetsk, 26 Jan—Boris Yeltsin said here today that it will not be possible for him to visit Ukraine until the issue of citizenship and other fundamental problems are resolved.

The Russian president, who is on a working visit to Lipetsk, was telling the journalists accompanying him about the outcome of his recent talks with the Ukrainian president.

"I had to make a number of observations to Leonid Kuchma during our recent meeting in the Kremlin," he said. "I planned to visit Ukraine back in November, on condition that a friendship and cooperation treaty between Russia and Ukraine and other bilateral documents were ready. However, we still have neither the treaty nor the other documents, and the Ukrainian side is to blame.

"The treaty must contain a citizenship clause, but the Ukrainian side won't agree to it. Great Russia [velikaya Rossiya] cannot sign the treaty without this clause, even though we respect big, mighty Ukraine [bolshaya, moshchnaya Ukraina].

"We cannot make any concessions. The documents must be prepared in full, and then I will be ready to go to Ukraine and sign them there."

Yeltsin Pressures Ukraine at Moscow Talks

MM2601114395 Moscow ROSSIYSKAYA GAZETA in Russian 26 Jan 95 First Edition p 1

[Article by Mikhail Shchipanov: "Will Train Leave Without Ukraine? Since Yeltsin Has Not Gone To Kiev, Breaking the Sequence of Exchange Visits, Ukraine President Kuchma Has Preferred to Come to Moscow"]

[FBIS Translated Text] It is well known that Leonid Kuchma's first visit as president of sovereign Ukraine was to the United States—despite his claims that Russia has been and continues to be his country's priority foreign partner. But, given that Leonid Makarovich has now arrived in Moscow, without standing on ceremony, so to speak, and breaking the diplomatic sequence of exchange visits (it had been Boris Yeltsin's turn to go to Kiev this time) we can conclude that it is exceptionally important for Ukraine to achieve a "breakthrough" primarily in the sphere of economic relations.

It is typical that Kuchma has come to the banks of the Moscow River after concluding his Kiev meeting with Turkmen leader S. Niyazov. Both these summits with the participation of L. Kuchma were brought about by a single circumstance—Ukraine's snowballing debt in respect of its payments for energy. Not so long ago Turkmenistan stopped supplying its gas to Ukraine, and that was why a personal meeting in Kiev was necessary—to ensure that the gas supplies were resumed on the basis of another promise that Kiev would find the money to clear its debts. We emphasize—another promise. The Ukrainian authorities were unable to keep their previous promises. Moscow has not stopped its deliveries, but its new plans for collecting advance payments for supplies of energy sources this year could not fail to have alarmed uncreditworthy Ukraine.

On the whole, Kuchma's flying visit to Moscow reaffirms yet again the opinion of one of his closest officials, who stated that, under current circumstances, Ukraine has a far greater interest than Russia in signing a whole package of economic cooperation agreements. And this despite the fact that Kiev, unlike Almaty, is quite cautious about the plans for extensive reintegration open to the other CIS members that were put forward during the recent Russo-Kazakhstani summit. As has rightly been noted on several occasions already, Kiev would prefer a neutral term along the lines of "cooperation" to describe this process.

At the same time, it is quite logical to assume that Ukraine will be unable to react to the fundamentally new trends that have been seen in recent weeks in the Belarus-Kazakhstan-Russia triangle, particularly in the shaping of a united customs area based on these three countries. If, as N. Nazarbayev envisages it, something akin to a "two-speed" commonwealth emerges with different levels of integration, Ukraine risks missing a train that will be rapidly picking up speed.

But on the whole, it should be noted that, by visiting Moscow under the present circumstances, President Kuchma has shown political courage worthy of a major politician, since the opposition is already going all-out to accuse the Ukrainian head of state of sanctioning Russian cruelty in Chechnya through his trip. But on other issues Kiev clearly lacks this courage, which is why many

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contentious problems, particularly the principal question—the fate of the Black Sea Fleet—remain "up in the air" even after the talks of two days ago and despite Boris Yeltsin's oft-repeated phrase—which clearly puts Ukraine under pressure—that Moscow has long stood ready to make a breakthrough on this entire slew of old problems.

So the contrast between the results of Boris Yeltsin's meetings with the leaders of Kazakhstan and Ukraine is obvious. And that situation is largely natural. Russia and Kazakhstan have signed agreements which, by common consent, they would not have embarked on even a year ago. It cannot be ruled out that it is simply not yet the time for fundamental Russo-Ukrainian accords. But there is nothing more costly in politics than time lost.

This time agreements were signed in Moscow on trade and economic cooperation and on the rescheduling of Ukraine's debt to Russia, which continues to grow.

West Said Targeting Russian Science Secrets

MM2601123695 Moscow KRASNAYA ZVEZDA in Russian 26 Jan 95 p 3

[Article by Mikhail Rebrov: "Springboard or Trap? Western Intelligence Agents Changing Methods But Not Aims"]

[FBIS Translated Text] It is said that an idea once voiced no longer belongs solely to the person who expressed it. It becomes the property of all who heard it. And one other piece of wisdom which, fortunately, is not appreciated by many is that an idea, scheme, theory, or engineering development is, to use marketspeak, a convertible commodity. For the knowledge "embodied" in technology and products is of the highest commercial value (and not only commercial value, incidentally), and produces the greatest economic impact. We could quote impressive figures to substantiate this truth. But the gist of the argument is that when knowledge and skill are applied, for instance, to the land, it produces (and feeds people!) better than before; when applied to machine tools, they are used more fully and no longer break down; when applied to the state, the state will at least not be destroyed.

Ideas, blueprints, commercial and state secrets, and information of a defense and economic nature is kept "under lock and key" and protected by corresponding acts of legislation regarding its "nondivulgence" and so forth. In order to protect our intellectual property, stop damage being inflicted, and prevent our national assets from being squandered. This kind of information is sought after in a cunning and cruel way, sometimes in violation of all norms, including the norms of morality. Previously this was called espionage or theft of secrets, now the FINANCIAL TIMES provides a gentler and probably more meaningful definition—"the growing service market in elucidating business secrets." But that does not change the essence of the operation.

I can see myself being rebuked for once again tackling the old topic of battles on the "secret front" and for boring people! No, we are talking not of the past but of the present. And this present has some very dangerous consequences. The CIA leadership makes no secret of the fact that it spends up to $20 million [as published] on foreign intelligence. Intelligence, of course, is a specific matter. Everyone knows that it exists but, at the same time, it is as if it did not exist. At any rate, there are few people who would want to expatiate on it on the record. Those are the rules of the game.

But the facts quite definitely show that Western intelligence services are stepping up their effort against Russia. We are not talking about an increase in the number of agents and station chiefs or the use of all kinds of electronic "bugs" and so forth (although all those things are happening), but about actions that at first glance are apparently quite "proper" and "above board." Today we have all heard of various foreign foundations and programs aimed at supporting Russian scientists, engineers, designers, and gifted young scientific workers. Many foreign firms (with the encouragement of their military departments) are seeking to make approaches to our research labs, scientific research institutions, design bureaus, and former "mailbox numbers," sending their "authorized" representatives over, inviting our specialists to visit them, paying for their trips, and providing financing, computers, and an experimental basis for certain projects that are being carried out in Russia itself.

With each contact the foreign "sponsors" take an active interest in the extent to which certain problems have been resolved, willingly sign letters of intent, and take finished mockups away with them. "Additional" information is also being garnered in the shape of "competitive abstracts" to gain "grants"; a number of specific clarifications are requested and goldmines are promised in return for "joint" research and development, but things never go any further than those letters of intent. And only the naive wonder why. It is because everything has already been accomplished—the idea has been obtained and the finished mockup has been taken away, dismantled, and studied on site. Since most Russian research and development has not been patented abroad for "reasons of secrecy" (this still happens today), the stolen engineering and other secrets are lost to Russia forever.

The work of spies sometimes seems very simple—you "tap" lines of communication, you steal cipher technology, you photograph "installations" with a camera concealed in a button, and you use computer "skeleton keys" and other "devices" (incidentally, I saw a huge number of such devices in the "electronics" districts of Tokyo and Osaka when I was in Japan). Well, these things happen. But the "search" is also conducted in other areas—from the processing of open-source articles on technology and production matters to the illegal polling of specialists and officials (initially polling among "colleagues").

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Taking advantage of the fact that many poverty-stricken and disgruntled staffers at formerly elite science centers are losing sight of any future in their professional work, the West has launched a large-scale program to "solve" our problem. This essentially consists of one thing—"transferring" scientific staff and specialists to their own labs and stealing foreign ideas.

There are no reservations about this—it is indeed a question of a program of measures that has officially received a government "green light" and of funds that have also been officially allocated. In order to back this up, I will quote a few examples.

Back in October 1992 the U.S. Congress passed a law granting special status and conditions for travel to the United States by certain categories of scientists from Russia and the CIS. The concept "certain categories" includes scientists and engineering and technical specialists working in military-industrial complex structures and involved in the development [razrabotka] and production of nuclear weapons, electronics, laser technology, missile construction, the development [sozdaniye] of new materials, military aircraft manufacture and shipbuilding, and research into fundamental areas such as superconductivity, solid-state physics, optoelectronics, new-generation computer technology, and so forth. For such persons the law provides a simplified procedure for processing travel documents and work permits for the United States.

Or take the following fact. When a conference on conversion—to which specialists from the "closed city" of Chelyabinsk-70 were invited—was held at the University of Maryland, our scientists were embarrassed by the very poor scientific representation of the Americans and struck by the considerable intelligence activity of their foreign "colleagues." They were interested in everything, questions were asked on the basis of a previously prepared list, and the information traveling in the "opposite direction" was surprisingly scanty.

People in the United States know how to count money. Soberly estimating that it is most expensive of all to put mistakes right, they prefer to insure themselves beforehand against their own blunders and to pay for foreign experience. Only, not at its real worth, but for peanuts. We know of cases when $50 was promised for a large "abstract." Note that—50 "greenbacks" for information that could be worth millions. A pittance has been paid for equipment to produce fiber membranes, the OK-4 optical klystron, plasma and space technology.... Unfortunately, these are not isolated examples. We need only recall the striking (or paradoxical, whichever you prefer) case when the Americans tried to recruit our "brains" to carry out specific military research for their SDI project.

We should not be so stupid as to go like lambs to the slaughter, taking the cheap bait without realizing the criminality of these actions. We know of cases when a number of secret developments have been lost thanks to bungling (there is no other way of putting it) by some of the directors of our scientific research institutes and "mailbox numbers."

What lies behind all this? First, we are losing new technology which is to all intents and purposes being given away to foreign firms. Second, given the relatively strict control exercised by "purchasers" or "employers," our scientists are often being stripped of their rights to their intellectual property, to the free publication of their results, and to further scientific exchanges with their colleagues. Third, a considerable proportion of our specialists are being alienated from taking part in developments that are in the interests of Russia's economic and defense capability. And, finally, all this could lead to Russia's immense intellectual potential being turned into "intellectual slave labor" for a foreign sugar daddy.

Incidentally, official information obtained by the federation of American scientists shows that in the United States itself the practice of classifying important inventions and discoveries is expanding with every passing year. Under the legislation in force there, U.S. companies can sell goods manufactured under classified patents or licenses only within the country—and even then with certain restrictions.

At one major scientific research institute (which you need a special pass to visit even today) I asked: "What about secrecy?" The reply was discouraging: "Where does secrecy come into it? This is a springboard to prosperity." Is it a springboard to prosperity? It is an elementary trap. It is very true that stupidity is worse than theft.

I do not know if there is any point in bringing up more cases and commenting on their consequences. On the one hand, individual freedom gives people the right to work "internationally," although it does not take away an aftertaste of resentment. On the other hand—and this is more worrying—the current situation could be a disaster for our fatherland. Moreover, "intellectual emigration"—whether of the actual ideas or of their creators—poses the threat of an intellectual vacuum emerging for a great (let's not be afraid to use that word) country. What could be more terrifying?

The revival of the state and of its economic and defense might can only be guaranteed by our own achievements, their extensive utilization within the country, and the strictness of laws which, unfortunately, are either not yet fully in place or are not in force.

'No Losers' in MFN Deal With Lithuania

MM2601171395 Moscow ROSSIYSKAYA GAZETA in Russian 26 Jan 95 First Edition p 6

[Article by Aleksandr Shinkin: "No Problem on Which Agreement Cannot Be Reached. This Principle Becoming the Rule in Russo- Lithuanian Relations"]

[FBIS Translated Text] For a long time an agreement on the reciprocal granting of most-favored-nation trading status and a treaty on the procedure for military transit and

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shipments of particularly dangerous cargo across Lithuanian territory to and from Kaliningrad Oblast were stumbling blocks between Moscow and Vilnius. Whereas the Russian side lumped the resolution of all these problems together, the Lithuanian side preferred to discuss each one individually. "Linking the problem of trading status with the transit problem," Lithuanian President Algirdas Brazauskas has repeatedly stated, "is not something I would call quite right. After all, the transit shipments are going ahead, but there is no normal trade between our countries."

But Moscow's caution was understandable. There were contradictory attitudes within Lithuania itself toward the questions of Russian military transit shipments. The right-wing opposition was particularly fierce about it. Its leader, Vitautas Landsbergis, asked two weeks ago: "Does Lithuania really intend to play the role of serving Russian servicemen in exchange for a dubious trade partnership with an unreliable partner?"

Choosing the most emotive epithets with regard to the state authorities, Landsbergis even dropped some unambiguous hints. "Who knows," he stated, "perhaps the Shlezhyavichyus [name as transliterated] clan and the Brazauskas clan may get some special privileges." Which made the Lithuanian president's press spokesman issue a statement on the head of state's behalf regarding these irresponsible statements by the right-wing leader.

The EU is concerned about the position taken by right-wing forces in the republic as well. On the eve of the new year it expressed its regret that the Russian and Lithuanian Governments had still not settled the problem of Russian military transit shipments to Kaliningrad Oblast and noted that reaching an agreement on this problem would be an "important contribution to the cause of strengthening regional stability and security."

And, quite clearly, it was with an eye to that opinion that Vilnius and Moscow reached the mutually acceptable compromise announced 18 January. That was when the Russo-Lithuanian agreement on the mutual granting of most-favored-nation status came into force.

And the sides have pledged with regard to this problem to continue to be guided by the accords reached in Vilnius 18 November 1993, under which Russian military transit shipments across Lithuania will be based on the same regulations used for the Russian troops and military cargo withdrawn from the former GDR. The Lithuanian Cabinet of Ministers agreed that it would be possible to extend this accord in subsequent years.

Lithuanian Foreign Minister Povilas Gylys made the following comment:

"We can be pleased with this result—both sides have won; there were no losers. We have shown the world yet again what we are able to do and that we can reach agreement."

The Russian Foreign Ministry is of the same opinion.

Norwegian Official on 'Concern' at Reaction To Missile

LD2601221795 Moscow 2x2 Television in Russian 2001 GMT 26 Jan 95

[FBIS Translated Excerpt] [Announcer] Colonel General Mikhail Kolesnikov, chief of the General Staff, has told the INTERFAX agency that the rocket could be described as a new type of operational tactical missile. [passage omitted]

Our correspondent met Dag Halvorsen, press aide at the Norwegian Embassy in Moscow, today.

[Begin Halvorsen recording] The Norwegian ambassador visited the Russian Foreign Ministry this evening and he was given an assurance there that the Russian embassy really had received our note of 21 December last year, to the effect that this launch was being planned, that this information was distributed to the appropriate Russian departments, and that we were in no way being reproached as Norway had observed the proper procedure for such cases. We expected the Russian authorities to take every measure to prevent any misunderstandings occurring. Although we supplied all the necessary information and repeated the information through flight control channels on 16 January, this launch led to some alarm among the Russian missile forces and this is cause for some concern. [end recording]

'Panic' Based on Unchecked Report

MM2601162595 Moscow IZVESTIYA in Russian 27 Jan 95 p 3

[Report by Marat Zubko: "Our Warning Systems Located the Missile. This Means That They Work"]

[FBIS Translated Text] Helsinki—The report that a missile launched from Norway had violated Russia's airspace caused a veritable commotion in north European countries.

It all started (if the local mass media are to be believed) with Scandinavian correspondents locating an INTERFAX agency report in Moscow Wednesday: Some missile, launched from a north European country, had allegedly been brought down over Russian territory. The report cited a high-ranking officer in the Russian Army.

The matter smacked simultaneously of both a major sensation and a diplomatic scandal. Who had suddenly started firing at Russian territory, and why? Journalists rushed to ascertain the details. The news literally filled the leading news agency printouts and the radio and television airwaves all over the world. Some time later they learned from that same INTERFAX, which again cited the aforementioned anonymous officer, that the missile had been launched from northern Norway and that it had fallen on Spitsbergen.

Questions arose: What does "fallen" mean—simply landed, or been shot down? How is the mention of Spitsbergen to be reconciled with the mention of Russian territory? That archipelago is under Norwegian jurisdiction, but other states have the right to conduct economic activity on the islands, so a sizable colony of Russian citizens exists there.

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Your correspondent rang the Russian Consulate on Spitsbergen and asked what our personnel knew about the missile. "We know about it only because a REUTER journalist just asked us about it," I was told.

I contacted the Russian Embassy in Oslo and received the following reply to my questions: "We too are being phoned from everywhere, but we have not yet had any explanation from Moscow." At the same time the embassy spokesman mentioned an important detail. It turns out that back in December the Norwegian authorities had warned countries concerned of upcoming launches of scientific research rockets. At the time our diplomats forwarded to Moscow the coordinates of the areas that were being closed.

Meanwhile, Lieutenant Colonel John Espen of the Northern Norway Air Defense Command stated that a rocket really had been launched from Norwegian soil (from the Nordkapp region), only it was not a combat one but precisely a scientific one. According to calculations, it was meant to fall on Spitsbergen. The lieutenant colonel promised to check out the claims that the rocket had fallen in Russian airspace.

Some time later again, Scandinavian agencies carried more precise INTERFAX data: Three Russian early-warning radar stations really had located the launch of a missile, but after it went into orbit the military realized that the object was not headed for Russia.

DPA reported that Moscow had denied the report that the missile was shot down. It was also learned that U.S. and British tracking systems also had not confirmed the fact of the missile's flight toward the Russian border.

Gradually the commotion began to subside. In the evening a telegram was received from Norway, stating that the launched scientific research rocket had landed, as planned, in the region of Spitsbergen and that no one had tried to bring it down. Journalists, diplomats, and the military realized that this whole panic had come about because of an apparently unchecked report on a very serious topic.

"I was very surprised to hear what repercussions the launch of our rocket had. We have been engaging in such activity for 32 years now, studying the aurora borealis phenomenon. During this time we have sent 607 meteorological rockets into the atmosphere," researcher C. Adolfsen, who works at the meteorological rocket launch station on Andoya Island close to the most northerly point of Europe—Nordkapp Cape—declared.

...It is probably possible to single out one positive result from this whole business. The rocket launch was carried out approximately 250 km from the Russian border, but our early-warning system located it. This means that it works.

Nuclear Power Station Contract With Iran Worth $800 Million

LD2601133995 Moscow Voice of Russia World Service in English 1300 GMT 26 Jan 95

[FBIS Transcribed Text] The contract for the construction of atomic power stations by Russian experts in the south of Iran is estimated at 800 million U.S. dollars. The Russian Ministry of Atomic Power Engineering reports that the project is being materialized in the framework of a long-term bilateral agreement on the use of nuclear power for peaceful purposes. So Russia has become Iran's leading partner in developing high technologies in that field. Russia is also deepening cooperation with China and India in the field.

Moscow Favors Removing Time Limit of NPT

LD2601192595 Moscow INTERFAX in English 1853 GMT 26 Jan 95

[From the "Diplomatic Panorama" feature: Reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] Moscow, Jan 26 (INTERFAX)—Moscow welcomes the fact that in his State of the Nation address U.S. president Bill Clinton stressed the need to unconditionally extend the nuclear non-proliferation treaty [NPT] for an unlimited period of time.

The circumstances in this area are complicated and require fast joint actions on the part of Russia, the U.S. and other influential powers, Russian Foreign Ministry spokesman Mikhail Demurin told a Thursday briefing in Moscow.

According to him, the main task of the conference of signatories to the treaty due in New York between April 17 and May 12 is to work out a decision extending the document. As the treaty is exceptionally important for global and regional security everything should be done for its unconditional prolongation, the high-ranking diplomat said.

Demurin said Russia was ready to coordinate mutually acceptable decisions on guarantees for security of non-nuclear countries participating in the non-proliferation treaty.

He stressed that Ukraine had joined the non-proliferation treaty as a non-nuclear country.

Demurin said he was satisfied with development of nuclear disarmament gaining the rhythm. He said Russia hoped that all nuclear powers would soon join the process of coordinating decisions on nuclear disarmament.

Demurin said the process could be sped up if a treaty on nuclear safety and strategic stability was concluded as Russian President Boris Yeltsin had proposed at the 49th UN General Assembly.

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Political Issues

Yeltsin Cited on First Use of 'Attache Case'

MM2601154195 Moscow IZVESTIYA in Russian 27 Jan 95 p 1

[Report by Vasiliy Kononenko: "Yeltsin Leaves Chechnya Behind in Lipetsk, But Takes the 'Black Attache Case' With Him"]

[FBIS Translated Text] Lipetsk—After his long seclusion in the Kremlin, B. Yeltsin has finally gone to meet the people. On the morning of 26 January his aircraft landed at a military airfield near Lipetsk. As a rule, before such tours of the country the president tells journalists the political aim of his visit. But this time he spoke only about economic matters—as if the country were on the march in another creative five-year plan.

Yeltsin stated that last year should not be considered lost for reform. He mentioned among the achievements the production slump of 15 percent—almost half as much as in 1993—and the growth in consumer goods production. In 1995 the president is setting the task of achieving economic stabilization, which—as he put it—is "possible."

He went on to familiarize himself with the economy of Lipetsk and oblast. In an interview with IZVESTIYA's correspondent, M. Narolin, head of the local administration, said that the economic situation there is relatively normal; unemployment is around 1 percent of the able-bodied population; about six or seven enterprises are on the brink of bankruptcy, although a great deal has already been done to reprofile production. In particular, the president and journalists were shown the high-quality refrigerators, audio and video equipment, and other quality output at the Novolipetsk Metallurgical Combine and the "Lipetsk-Kompleks" Agrarian Joint-Stock Association.

Workers at Lipetsk's enterprises gave the president a quiet welcome, without any hysterical placards making political demands. And it seemed as though the president had forgotten big-time politics for a while. In short, his trip to the oblast followed a familiar scenario—better to forget Chechnya, we need to tackle urgent economic matters. That is probably why he has promised to visit the regions each month.

The president did not fail to report the sensational news about the missile launch from Norwegian territory. Here is how the president described the incident: "Yesterday I used my 'attache case' for the first time (he was clearly referring to the 'black box'). I called the defense minister and the relevant services and asked them what kind of missile it was and where it had come from. Within a minute I had the information—the entire flight of the missile had been monitored from start to finish. We had calculated that it would fall somewhere far from our shores. We therefore did not shoot it down—they (the president was most probably referring to the Norwegians—Ed.) clearly did not expect us to detect the missile on our radar. Maybe somebody had decided to test us out? In short, we have cause to thank our military. The Army has shown that it is not weak, as the mass media are claiming."

Yeltsin's Use of Attache Case a 'Farce'

MK2701093095 Moscow KOMMERSANT-DAILY in Russian 27 Jan 95 p 1

[Report by Veronica Kutsyllo: "Norwegian Connection Leads to Norway"]

[FBIS Translated Text] The war in Chechnya has marred the image of Russia as a military superpower. Many military analysts have started questioning the battleworthiness of the Russian Army. The West has learned to its surprise that not only is the devil apparently not as terrible as he is painted, but he is not terrible at all. Moscow had nothing else to do but immediately to launch a counter-propaganda campaign—so a Norwegian rocket came most opportunely. Thanks to the rocket Boris Yeltsin, who visited Lipetsk yesterday, decided to remind the world of the slightly forgotten "black attache case." This, however, plunged Norway into astonishment because it notified Russia of the launch of a meteorological rocket as early as 21 December 1994.

The president's routine visit to Lipetsk became a sensation thanks to Yeltsin's answer to INTERFAX's question—on 25 January the president "for the first time used his black attache case with the button." Not adequately to repel a nuclear attack by a neighboring country, however, but in order "instantly to get in touch with the defense minister and all relevant military commanders." Everything would have been perfectly okay, had not the Norwegians—who, according to the president, "did not expect us to spot the rocket because it is not so big"—expressed their utmost surprise. First, there are no strategic missiles in North Europe at all. Second, Dag Halvorsen, spokesman for the Norwegian Embassy in Russia, said, according to REUTER, that his country had notified the Russian Government well in advance of the upcoming scientific launch.

The rocket came down in the area of Spitzbergen (Norway), 1,500 km away from Russia. This "proximity" to Russian borders does not in any way explain why grab the "black attache case" so that the Russian Air Defense forces can follow the "Norwegian track" from beginning to end. [sentence as received] It is well known that the suitcase is designed not so much for urgent communication with the generals (for this purpose, the president has a government hot line), but to order a nuclear strike. If we talk not just about a nuclear attache case, but about "an attache case farce," a number of theories regarding its development may be offered. For instance, the president, who had serious doubts indeed about the battleworthiness of the Army, particularly its "air shield," decided to find out in his spare time the capabilities of an "attache case" that has always been

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carried with him. Then the Norwegian rocket involuntarily took part in Russian military exercises, while Yeltsin simply forgot about last year's notification. On the other hand, the president could deliberately mention the suitcase so as to throw cold water on the West, which has started talking about the weakness of the Russian Army. The third theory is that Yeltsin was "set up" once again; he was not told in advance about the upcoming launch, which was portrayed as "a test" staged by Norway (member of malicious NATO), which has not been too complimentary about the federal authorities' actions in Chechnya.

In any case, it is evident that the announcement about the "attache case" action was made exclusively for propaganda purposes. As a matter of fact, this was not an isolated move—yesterday Jane's Defense Weekly magazine (Britain) carried an article saying that Russia has already built a tank, revolutionary in terms of its design, with an increased-caliber gun and enhanced protective power, ITAR-TASS reported.

It is just as evident that primitive propaganda has backfired on Russia yet again. It is not only Yeltsin's reputation that has been injured (if a politician is toying with the nuclear button according to the principle "if there is a fly in sight, aim at it and kill it," his ability to act is bound to raise some doubts), but that of the state itself, which is much worse. The little comprehensible brandishing of a nuclear suitcase in front of the West may lead to more serious consequences than the official explanation Oslo has already requested from the Russian Foreign Ministry.

Further on Security Council's 25 Jan Sitting

MM2601141395 Moscow ROSSIYSKIYE VESTI in Russian 26 Jan 95 p 1

[Report by Sergey Ovsiyenko: "Security Council Elaborates Mechanism for Transferring Functions in Chechnya From Defense Ministry to Ministry of Internal Affairs"]

[FBIS Translated Text] The "Chechen" question has not been off the agenda of Security Council sittings since last fall.

The present Security Council gathering was devoted to questions of transferring the functions of regulating the Chechen conflict from federal troop groupings to subunits of the MVD [Ministry of Internal Affairs] internal troops, primarily in Groznyy itself.

However, the current situation is such that the federal troops in Chechnya will also find a great deal to do. Not in the capital itself, but in the outlying districts of the republic, particularly in its southern regions, where Dudayev's gunmen have been heading with their equipment. So "the Ministry of Defense and the MVD team in Chechnya will operate for quite some time yet."

Defense Minister Pavel Grachev and Internal Affairs Minister Viktor Yerin gave reports on the transfer of functions from the Ministry of Defense to the MVD, and Prime Minister Viktor Chernomyrdin reported on measures to stabilize the socioeconomic situation in Chechnya.

Russian Federation Finance Minister Vladimir Panskov, who recently joined the Security Council on the basis of an edict from the Russian president, took part in the work of a Security Council sitting for the first time. Ivan Rybkin, speaker of the lower chamber of the Federal Assembly, was not present at the Security Council sitting.

Oleg Soskovets, Russian Federation Government first vice premier, Viktor Ilyushin, the Russian president's premier aide, and Yuriy Baturin, the head of state's national security aide, were also invited to the sitting.

A mechanism was also elaborated for the transfer of the functions of reestablishing constitutional legality and law and order in the Chechen Republic.

Poll Shows Yeltsin's Popularity Down Sharply

LD2601194195 Moscow INTERFAX in English 1712 GMT 26 Jan 95

[FBIS Transcribed Text] Moscow, Jan 26 (INTERFAX)—Only 14 percent of Russians believe that Boris Yeltsin is good at fulfilling the functions of the President, revealed a poll conducted by the Russian Center for Public Opinion Survey (VTsIOM) on January 21-22. The poll involved 1600 respondents from various Russian towns.

A total of 28 percent of respondents had said in September 1994 that they were satisfied with Yeltsin as the president.

As many as 84 percent of respondents this time said they were dissatisfied with the performance of Yeltsin as the Head of State (compared to 70 percent in September and 75 percent in December of last year).

As far as confidence in Yeltsin as a political leader is concerned, 20 percent of Russians give their backing to him, 11 percent less than in September 1994. According to the last poll, Yeltsin has the "highest no-confidence rating" which is 70 percent. He is followed by Defense Minister Pavel Grachev (68 percent of respondents lack trust in him as a political leader) and LDPR [Liberal Democratic Party of Russia] leader Vladimir Zhirinovskiy (also 68 percent).

Yeltsin Seeking 'To End Chechen Affair Quickly'

LD2601134495 Moscow ITAR-TASS in English 1259 GMT 26 Jan 95

[By ITAR-TASS correspondents Nikolay Zagnoyko and Andrey Shtorkh]

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[FBIS Transcribed Text] Lipetsk January 26 TASS—Russian President Boris Yeltsin said on Thursday his government is working to ensure a peaceful settlement of the Chechen crisis and agreed that the conflict in the separatist republic should be ended as soon as possible.

"We take it (the crisis) close to heart and use all efforts to solve the Chechen conflict in a peaceful way", Yeltsin said addressing Lipetsk residents.

"The army has completed its mission in Chechnya and now the Interior Ministry will work there", he said commenting on the Wednesday Security Council meeting.

The Russian president agreed with Lipetsk residents who urged him "to end the Chechen affair quickly".

Premier Says Religion No Factor in Chechen Conflict

LD2701133195 Moscow ITAR-TASS in English 1216 GMT 27 Jan 95

[By ITAR-TASS correspondent Igor Ivantsov]

[FBIS Transcribed Text] Moscow January 27 TASS—Russian Prime Minister Viktor Chernomyrdin told a Muslim Shiite leader on Friday that there were no religious grounds for the Russian military operation in Muslim Chechnya.

"The events taking place in the Chechen republic have nothing in common with a struggle of religions", Chernomyrdin told Aga Khan, the spiritual leader of Ismailis, a sect of Muslim Shiites.

"Russia is now paying big attention to spiritual issues", the Russian premier said adding that the meeting with Aga Khan signalled "the beginning of our relations".

TASS learned from Aga Khan's entourage that his talks in Moscow would focus on the Chechen impact on Russian relations with the Muslim world, as well as on assistance to Tajikistan where Ismailis comprise a bigger part of the population of the important region of Gorno-Badakhshan.

Aga Khan's possible contribution to the settlement in Tajikistan is also to be discussed.

Earlier in the day the leader of the Ismailis met Russian Foreign Minister Andrey Kozyrev who said that Aga Khan "enjoys respect and popularity" in Russia as "an international-scale figure, especially in the humanitarian sphere".

"The prince has a special influence in the Islamic world, specifically in Tajikistan and Afghanistan", Kozyrev said and stressed that Russia itself has 20 million of Muslims.

The minister expressed hope that the visit of Aga Khan will promote "a better understanding between Islamic peoples and Russia".

Shumeyko Asks Yeltsin for Legal Review of Chechen Events

LD2601132695 Moscow Radio Rossii Network in Russian 1100 GMT 26 Jan 95

[FBIS Translated Text] Vladimir Shumeyko, the chairman of the Federation Council, is confident that the state commission, which is now being set up to carry out a full investigation of the events in the Chechen Republic, will come up with the necessary analysis of what happened there. The speaker of the upper chamber gave a news conference today, at which he defined the Federation Council's role in settling the Chechen crisis. The details are in this report by our correspondent, Vyacheslav Osipov:

[Osipov] First and foremost Vladimir Shumeyko said that, in examining and making decisions on a settlement of the crisis in Chechnya, members of the upper chamber were guided by emotional assessments of all the negative things that have happened in that North Caucasus republic. Shumeyko believes that the regular Armed Forces of the Russian Federation are close to completing their military operations in Chechnya. Nevertheless, Shumeyko has sent a letter to the Russian president, asking him to review the present situation in Chechnya from a legal point of view, and also to review—from the same point of view—individual actions and orders of the Russian Armed Forces and consequences of the events in Chechnya since General Dudayev came to power.

As a member of the Security Council, Shumeyko told journalists about measures which will be undertaken to commence peaceful construction in the Chechen Republic. The most noteworthy measures include the withdrawal of the Armed Forces from the zone of hostilities to former military compounds and the handover of further responsibility for disarming illegal formations to Interior Ministry forces and the militia.

Until such time as elections are held in Chechnya—and the aim is to hold them before the end of this year—a provisional government will be set up. This government will be backed by the Committee for Public Reconciliation. After analyzing damage done to the economy and the social sector, a detailed plan of assistance to the republic will be drawn up. Priority help will go to its energy sector and water supplies, to the repair of communications, and oil production in Groznyy. It is hoped that sales of this oil will cover the cost of restoring the Chechen economy. A zone with special regulations and checks for travellers will be instituted along the entire Russian frontier where it passes along the southern borders of North Ossetia, Ingushetia, Chechnya and Dagestan.

Referring to the origins of the Chechen crisis, Shumeyko noted that genuine development of the state was not taking place in Russia. A genuine rule-of-law state, based on legislation, was not being set up. No reform of the judiciary or the army has yet been carried out. For these

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reasons the speaker of the upper chamber again reiterated his view that it was necessary to extend the mandates of the present members of the Federal Assembly.

Yeltsin Refuses To Name Officials Behind Arms Transfer

LD2601144095 Moscow ITAR-TASS in English 1417 GMT 26 Jan 95

[By ITAR-TASS correspondents Nikolay Zagnoyko and Andrey Shtorkh]

[FBIS Transcribed Text] Lipetsk January 26 TASS—Russian President Boris Yeltsin refused to name those officials who are to blame for the Chechen bloodshed and for arming Chechen leader Dzhokhar Dudayev in 1992.

"I cannot mention their names", Yeltsin told reporters on Thursday during a visit to the city of Lipetsk.

The Russian prosecutor general has already instituted criminal proceedings in connection with the transfer of weapons to Dudayev in 1992 after he had already proclaimed his independence drive.

So far there are two officials believed to be responsible for the weapons transfer. They are former Soviet defence minister Yevgeniy Shaposhnikov and Russian Defence Minister Pavel Grachev. However, they both denied any involvement in the affair.

In Lipetsk Yeltsin expressed his dissatisfaction that the State Duma is planning to investigate the reasons of the Chechen crisis by creating a special commission. The president said he would set up a commission for the purpose himself.

"The Duma has no constitutional right to do that. A commission can be formed by a presidential decree. There will be such a commission which will investigate the history of the Chechen crisis, including its roots and causes", he said.

Vorobyev Criticizes Chechen Operation

LD2601195295 Moscow INTERFAX in English 1838 GMT 26 Jan 95

[FBIS Transcribed Text] Moscow, Jan 26 (INTERFAX)—The number of troops and equipment engaged in the operation in Chechnya was "obviously insufficient," said the former first deputy commander of Russia's ground troops Colonel-General Eduard Vorobyev.

Only 12,000-15,000 servicemen were sent to Chechnya, the general told Interfax Thursday.

This number also includes auxiliary and rear units, Vorobyev said. "The number of servicemen engaged in combat actions was considerably less," he pointed out.

According to Vorobyev, additional forces were sent to Chechnya later. The attempts to involve forces from the Chechen opposition in the efforts to disarm bandit units failed, he said.

Military prosecutors found nothing criminal in his refusal to lead Russian troops engaged in the operation in Chechnya, the 56-year-old general said. On January 13 Russian president Boris Yeltsin signed a decree to relieve him of the post of first deputy commander of Russia's ground troops. Vorobyev believes that in the near future he will be dismissed from the armed forces for health reasons.

Vorobyev Blames Grachev for 'Mistakes' in Chechnya

LD2601143795 Moscow 2x2 Television in Russian 1300 GMT 26 Jan 95

[FBIS Translated Text] General Eduard Vorobyev, the former first deputy commander in chief of ground forces, has said that he refused to head the military operation in Chechnya because he regarded it as not properly prepared. Addressing a news conference in Moscow on today, he noted that if the operation had been planned correctly, the human, economic, and political losses could have been far smaller.

[Begin Vorobyev recording] The preparation of the operation and its implementation must not be confused with the courage of our soldiers, sergeants, officers, and generals. [end recording]

Eduard Vorobyev disclosed that in December last year he reported to the chief of general staff, Colonel General Mikhail Kolesnikov, that it would be very difficult to carry out a successful operation in Chechnya with the existing resources. The general said factors not considered by the Russian command when planning the operation included the morale and psychological condition of the soldiers, the fanaticism of the Chechen fighters, and the army's lack of familiarity with the terrain. Mistakes in determining how much manpower and resources were needed to carry out the operation were also made.

[Begin Vorobyev recording] I personally consider that the minister of defense bears responsibility for not giving our forces enough time to prepare the operation. [end recording]

The minister should have summoned up the courage to report to the president that more time was needed to prepare the forces being sent into Chechnya, the general said.

I remind you that, under an edict issued by the defense minister on 17 January, Eduard Vorobyev was dismissed from his post.

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'Scandalous' Vorobyev 'Affair' Viewed

MM2701085595 Moscow IZVESTIYA in Russian 27 Jan 95 p 1

[Report by Viktor Litovkin: "General Prosecutor's Office Has No Complaints Against General Vorobyev. They Might Appear in Respect of Other Generals"]

[FBIS Translated Text] The scandalous affair connected with Colonel General Eduard Vorobyev, first deputy commander in chief of the Ground Forces, has undergone a new development. IZVESTIYA reported on his position in its issues No. 247 for 1994 and No. 9 for this year.

The general has received an official notification from the General Prosecutor's Office. It states that "the Chief Military Prosecutor's Office has checked out reports in the mass media (?) on the refusal by Col. Gen. E.A. Vorobyev, first deputy commander in chief of the Ground Forces, to carry out an order to head the military operation in Chechnya." The general was informed that: "In accordance with Part 3 of Article 113 of the RSFSR [Russian Soviet Federated Socialist Republic] Code of Criminal Procedure, a decree of 20 January 1995 refused the institution of criminal proceedings against you on the basis of Article 5, Point 2 of the RSFSR Code of Criminal Procedure—for want of elements of a crime."

Let us leave aside the questions that arise after reading this paper: Who was refused the institution of criminal proceedings against Gen. Vorobyev—the acting general prosecutor, someone on the Defense Ministry leadership, or other persons; what reports in which mass media served as grounds for Prosecutor's Office checks; and, if these reports were false from start to finish, why have criminal proceedings not been instituted against the slanderers? The Prosecutor's Office paper does not provide the answers to this natural perplexity. But, on the other hand, whether or not the military jurist wanted it, it proves the main point: Col. Gen. Eduard Vorobyev's action was not a violation of military laws and did not prove a manifestation of cowardice, as certain newspapers really did write in order to spite IZVESTIYA, but was an expression of the profound inner convictions of a holder of the "For Personal Courage" order and a matter of his honor and conscience.

Meanwhile, the names of those generals who evidently really are to blame for the hundreds of Russian servicemen killed and injured during the assault on Groznyy on that fateful New Year's Eve, 31 December, have become known. According to our information, the leader of that operation—Lieutenant General Anatoliy Kvashnin, deputy chief of the General Staff Main Operational Directorate—dismissed Major General Nikolay Staskov, commander of the "East" Troop Group and deputy commander of the Airborne Troops, from his post for failing to carry out an order. Despite an agreed combat mission, units under the general's command did not move from the spot at the time and failed to fulfill their task.

Major General Valeriy Petruk, commander of the "West" Group, did not carry out Kvashnin's order either. The 19th Vladikavkaz Division under his command failed to support by its actions the 131st Maykop Brigade near the railroad station (IZVESTIYA No. 4 for this year), and the brigade was almost entirely shot up by members of Dudayev's home guard.

According to Gen. Kvashnin, the aforesaid generals deceived him by maintaining that they were going to the aid of comrades who were dying in downtown Groznyy, while they stayed virtually where they were. It is evidently in respect of precisely these generals, and not of the first deputy commander in chief of the Ground Forces, that a Prosecutor's Office investigation should be conducted.

Meanwhile, Col. Gen. Eduard Vorobyev has already been discharged to the reserve by a presidential edict of 13 January this year, and he was placed at the disposal of the commander in chief of the Ground Forces by the defense minister's order of 17 January. The Central Military Medical Commission has not yet passed a ruling on the general's state of health, but it is known to have been noted down in hospital that he is "unfit for peacetime military service."

But the grounds on which Col. Gen. Vorobyev will, in the end, be discharged to the reserve remain an open question. The size of his pension depends on this.

Defense Ministry Shakeup Predicted in March-April

MK2701083095 Moscow NEZAVISIMAYA GAZETA in Russian 27 Jan 95 p 1

[Report by Igor Korotchenko in the "Army" column under general headline: "The Kremlin Is Unhappy With Pavel Grachev's Conduct. The Chechen Mud May Have To Be Shoveled by New Defense Ministry Leaders"]

[FBIS Translated Text] Although Oleg Lobov, Russian Federation Security Council secretary, said that the 25 January Security Council session did not assess the personal role of power ministers leading the actions of the Russian Army and Ministry of Internal Affairs interior troops in Chechnya (which is hard to believe), there is reason to suppose that the mention of Defense Minister Pavel Grachev's name provokes the utmost irritation in the Kremlin. It is clear now that General Grachev seriously let Boris Yeltsin down when he guaranteed to the Russian president a blitzkrieg operation to capture Groznyy and disarm Dzhokhar Dudayev's armed formations. The blitzkrieg did not happen. Having bogged down in heavy positional fighting, the Russian grouping lost the momentum of the offensive and sustained tangible losses in men and materiel. As for the overnight storming of the Chechen capital on the first day of 1995, by any standards those responsible for issuing a corresponding order must face a military tribunal on charges of criminal negligence.

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Failures in Chechnya have sharply aggravated the situation at the upper level of army leadership. A number of military commanders criticized the defense minister, while some commanders of units directly engaged in battles for Groznyy allowed themselves open threats against the Russian Federation political leadership. For the first time since the well known trials of 1937, talk about military opposition in the army reemerged—this time not fictitious but quite real. Considering an unfavorable forecast for a possible course of events, Boris Yeltsin even had to cancel his trip to Davos.

According to information in NEZAVISIMAYA GAZETA's possession, the Kremlin was particularly annoyed by Pavel Grachev's conduct when he invoked the Security Council to justify any of his decisions in Chechnya, disclaiming personal responsibility and indirectly shifting it to the Security Council, i.e., the president. Neither were some of Pavel Sergeyevich's rather provocative [volnyye] expressions about top state officials ignored. According to a well informed Kremlin source, not only Grachev himself but also his inner circle, aides, and deputies are the subject of corresponding interest. Among the latter, opposition sentiments are especially strong and therefore the president of Russia is no longer prepared to put up with the willfulness of three-star generals.

This is the backdrop behind the announced plans for reorganizing the military department, which Boris Yeltsin is planning to go with in the very near future. Andrey Kokoshin, who is now Grachev's first deputy, is seen as a candidate for the post of a civilian defense minister of the Russian Federation; Colonel General Andrey Nikolayev, commander in chief of border troops, is candidate for the post of chief of the General Staff. There are also alternative candidacies. The planned cadre reshuffles are to take place in March and April of this year.

Moscow General Says No OMON Casualties in Chechnya

LD2601134295 Moscow Russian Television Network in Russian 0900 GMT 26 Jan 95

[FBIS Translated Excerpt] [Passage omitted] There have been no losses among the 2,050 Moscow special purpose militia [OMON] in Groznyy, INTERFAX has been told by Major General Viktor Kiselev, deputy head of Moscow's city internal affairs department, who has just returned from Groznyy.

Kozyrev Upbeat on Foreign Response to Chechnya

LD2601161195 Moscow INTERFAX in English 1402 GMT 26 Jan 95

[FBIS Transcribed Text] Moscow, Jan 26 (Interfax)—Not a single country questioned the territorial integrity of Russia in the context of the Chechen developments or recognized Dudayev's separatism as reasonable, Russia's Foreign Minister Andrey Kozyrev told the State Duma's international affairs committee Thursday.

Their approach will hardly change now that everyone sees that "the Russian President and government are facing an armed revolt against Russian unity," Kozyrev said.

Despite domestic pressure, neither the United States nor the EU countries have introduced economic sanctions against Russia. That proves, according to Kozyrev, that partnership between Russia and the world's leading nations "has passed the test."

Nonetheless, Kozyrev admitted that many of its partners censured Russia for "the excessive use of force." The commission that is about to be formed in keeping with a national security council decision will say whether civilian losses could have been minimized. Some of its conclusions will be revealed to the world community, Kozyrev said.

Once the use of force gives way to efforts to restore Chechen civic life, constructive international cooperation will become the word of the day. So far, however, Kozyrev said, international inspections of the disturbed area make no sense. After all, the world is getting enough information on the local developments.

International mediation makes no sense either now that "Chernomyrdin spends days on meetings with representatives of Chechnya's various political forces in a bid for a settlement," Kozyrev said.

On Friday [27 January] the emissary of the Organization for Security and Cooperation in Europe (OSCE) is leaving for the troubled area with a mandate for "aid in the restoration of Chechnya's democratic institutions."

The OSCE emissary will be able to see everything he wants except, Kozyrev said, places where his life may become in peril.

In Kozyrev's view, it is not his job to accompany the OSCE mission and "take care of the Chechen problem." If he agreed that it were, he would have to recognize Chechnya as a foreign country, he said.

Kozyrev gave a positive answer to the question of whether he was disappointed to find out that only Vladimir Zhirinovskiy and his parliamentary faction supported the government's moves in Chechnya. He said that "any kind of any support from Zhirinovskiy disappointed him."

Impact of Chechen Conflict in CIS States Viewed

MM2601165595 Moscow ROSSIYSKIYE VESTI in Russian 26 Jan 95 p 3

[Article by Vladimir Guliyev: "Echo of the 'Chechnya Syndrome'"]

[FBIS Translated Text] A great deal has already been said in the press about the international consequences of

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the events in Chechnya. In particular, about the reaction to them in nearby countries—in the CIS. Some have turned out to be worried, while others expect the Russian federal authorities' example to prove contagious for states encountering territorial or ethnic-territorial separatism, that is, the aspiration of parts of a state to acquire independence. As we know, territorial integrity, unity, and indivisibility constitute an acute problem for Ukraine, Georgia, Azerbaijan, Moldova, Tajikistan, and Kazakhstan, despite the dissimilarity and diversity of the manifestations in each of the aforesaid states.

But what I would call the "Chechen syndrome" is not analysts' short-term forecasts to the effect that Russia's "Chechen expedition" is giving the green light to analogous actions by the central powers of CIS countries suffering from separatism. Nor would I call it the statements of this kind being made by individual politicians in these countries. I think that the Chechen syndrome has been displayed most of all in another recent event, in Georgia, which was not on such a large scale for the CIS.

But first a slight digression. It is known that the events in Chechnya, like any large-scale armed conflict, have generated a multitude of consequences—political, economic, military, and social-psychological—inside and outside Russia, along its border perimeters, and in the wider world. The reservation about "any large-scale armed conflict" is not accidental. In its political development, mankind today has by no means matured to the point where it is able to do without any military intervention whatsoever either in international relations or in settling intra-state problems (although the latter option is mainly the property of third world countries). But progress has undoubtedly been made by the world community in humanitarian terms: Any armed clash involving the use of sunstantial military contingents and modern weapons becomes the object of fixed attention on the part of governments, parliaments, public opinion, the press, and international organizations. That is a good thing and an achievement: No matter how great in number and how rich mankind is on the threshold of a new era, it is not allowing itself to lose the tiniest part of itself unrestrainedly or irresponsibly either in wars or in natural disasters and technogenic catastrophes, or in intrastate conflicts. In this sense, the solidarity of all the Earth's inhabitants is growing.

From the very outset, CIS members states listened attentively, and some with heightened concern, to the thunderclaps of war in Chechnya. Special attention and heightened interest could not have failed to be displayed in the stances and assessments of the Commonwealth countries where, since the collapse of the totalitarian system and the acquisition of state independence, differences of opinion between the central powers and the regional ethnic and religious elites have first of all come into existence, then exacerbated, and in some states broken out in the form of armed clashes. Azerbaijan, Georgia, and Moldova have suffered serious and protracted internal wars. In certain other countries, a "law war" is going on (and not just law) with varying intensity between the center and unruly territories tending toward separation. The situation is being destabilized by ethnic heterogeneity, particularly in its territorial manifestation.

Attentive observers have therefore drawn public attention to the fact that a number of contiguous states will be seeking answers to questions of state unity that are worrying them specifically in the evolution and results of the Chechnya-Moscow confrontation.

Admittedly, at first they were only able to make out the initial, direct consequences of the military expedition in Chechnya—the creation of a kind of precedent for launching (or continuing) a military campaign on the part of Baku, Chisinau, and Tbilisi against territories, enclaves, republics, and so forth now isolated.

But as the Russian troops get "bogged down," this military undertaking becomes protracted, the casualties multiply, the losses grow and, as a result, public dissatisfaction is aroused, a secondary consequence, a kind of side-effect, but an equally important one, of the events in the North Caucasus is becoming increasingly obvious.

Instead of "justification" and a model for imitation, the "small war" in Russia has given life to a "Chechnya syndrome"—an awareness that no war is ever small, or quick, "bloodless," or unreciprocated. No matter what banners it may be waged under and no matter what justification it may be accompanied by. The Georgian leaders have realized this. Whereas the adventurist opposition in the person of T. Kitovani and his kindred spirits drew a quick and superficial conclusion about events in Russia as demonstrating the right to suppress unruly Abkazian separatists by force and reestablish the country's territorial unity and integrity by armed methods, the experienced E. Shevardnadze perceived another consequence of the Chechnya conflict. Since even vast Russia has proved unable to put a quick and effective end to separatism, and indeed in a criminal form (that is, the most odious form, seemingly not generating any public sympathy), then Georgia with its current exhausted resources cannot afford the luxury of a military campaign against Sukhumi by any means. Nor a state-government campaign, nor even a "publicly" arbitrary one.

The suppression of the national patriots' action in Georgia is one of the first manifestations of the "Chechnya syndrome" in CIS countries. Apart from anything else, it is already clear today that any large-scale intrastate problem, particularly one that has so many sides to it as does ensuring the unity and territorial integrity of a state in a clash with territorial, ethnic, religious, or any other separatism, is deeply individual. It has its own specific character in each individual country, and it is intolerable and simply pointless to try to settle it on the basis of one model or a single standard.

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SEGODNYA Scores Korzhakov Interview

954F1031A Moscow SEGODNYA in Russian 19 Jan 95 p 2

[Article by Mikhail Leontyev under the rubric "The Keeper": "Geese Hunters: General Korzhakov as an Indicator of the President's Capability"]

[FBIS Translated Text] General Korzhakov has condescended to a press interview, logically selecting the newspaper with the largest circulation—ARGUMENTY I FAKTY.

General Korzhakov entered the arena of public politics when he sent his people to publicly rough up members of the Most security service. The motives for this decision and the identities of those doing the beating gradually came out both in the process of carrying out the operation and within the next couple of days. As a result of this action a criminal investigation was opened—and is still on to our best knowledge—of Mr. Korzhakov's men. While "those who unceremoniously and brazenly walk around in the center of Moscow under the nose of the Moscow mayoralty" "illegally carrying weapons" have been released, and no proceedings have been initiated against them for illegal possession of arms. So what is happening—does Mr. Korzhakov, in gross violation of the law, cover up for criminals, impeding their detention and initiation of a criminal case as prescribed by law? Not a nice thing to do.

Senate Speaker Mr. Shumeyko said that Most security men are armed with submachine guns and grenade launchers. "We will disarm everyone!" Well, go ahead and do it! Except that it is quite difficult to disarm them for the simple reason that the Most security service does not have these kind of weapons. And Mr. Shumeyko apparently received information regarding submachine guns from the same source. By the way, excessive gullibility is not the strongest trait in a politician.

Why do Most, Menatep, Inkombank, and commercial structures need such large security services? Precisely so they do not have to resort to gangsters' "protection" services. Because Mr. Korzhakov's colleagues do not, and cannot, implement any real measures to ensure security for domestic business. This is a fact, and anyone who tries to deny it would become a laughing stock. It is also a fact that Mr. Korzhakov does not display an equally intense interest in those rather well-known commercial structures, which in reality not only solve their everyday problems with the help of "brothers," but even introduce themselves to business acquaintances by the name of their criminal "protectors." Let anybody go ahead and find even one person with a criminal record in the Most security service.

"In a police state, the police rule; here sometimes criminals try to direct individual policemen and politicians, as well as the press," says the major general. The major general is correct. The real context, however, leads us to doubt his sincerity. "Some of our active (?—M.L.) actions exposed "dependents" of criminal commercial structures, who not wholly altruistically rallied in defense of the aforementioned Most Group." Exposed, of course. Except that what real gangster would allow himself to be exposed to such a powerful special service? It is much smarter to stick closer to someone high up in authority who has embarked on the path of irreconcilable war with a strong rival and unambiguously confirmed in an interview that "by the way, geese hunting is an old hobby of mine." (Before saying this, the general complained that after his "active" actions he had come under the attack of the entire "flock of geese.")

While the general admits that "geese hunting" is an old hobby, Aleksandr Korzhakov states that "has never engaged" in "politics." So we must assume that economics has been his forte from a tender age. Which allowed him to address to the prime minister the notorious memorandum "on a very difficult and multifaceted problem" of economic policy. And even suggest how to deal with it personnel-wise.

"My notion of ethics in relations with the president of Russia does not permit me to discuss questions outside the boundaries of the service's activities," says Mr. Korzhakov. However, the same notion of inter-relational ethics permits the general to "discuss" such matters with the prime minister.

The most interesting part, however, is where the major general defines the boundaries of activities of the special service entrusted to him. It turns out that all of us "are not entirely correct in limiting the KGB Ninth Directorate's functions only to protection." In the general's opinion, we "would like to see a Latvian rifleman in puttees at the office door instead of a Security Service officer... A person who could be told: Look, here is a seal and a signature, and who would pin a pass onto his bayonet and let you in." No, dear friends, this will not work! Because if Korzhakov's people do not check meticulously who goes in to see the president and why, and most importantly, what they leave with, then right away "the national wealth will be pilfered—frequently in the form of a permission slip, a piece of paper, with a resolution attached to it."

The general apparently does not realize what he is saying. And what he is saying is that the president's capability is limited, and if Korzhakov's boys do not check the papers visitors carry with them when leaving the president, Boris Nikolayevich will instantly squander the national wealth.

At times of instability in an environment of low political culture—typical, for instance, of medieval times—bodyguards and in general persons physically close to the sovereign acquired incommensurate weight in state decisionmaking, especially in the subject of personnel. For instance, Louis XI's barber Olivier or Ivan the Terrible's butler (the latter was, by the way, Dmitriy Godunov—the uncle of the future Tsar Boris). However, in the more recent Soviet times if a high-ranking Ninth Directorate

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officer permitted himself to speak up publicly on matters of state policy, as Mr. Korzhakov's former colleagues told us, he would be immediately dispatched to the nuthouse. And the diagnosis almost certainly would be confirmed by an independent medical evaluation. Now, however, we have freedom of speech, and Mr. Korzhakov's human rights are limited only by his "notion of ethics in relations."

General Korzhakov, who proclaimed himself a "supporter of the party of war on corruption and crime," says that corruption "has not yet become the octopus we know from Italian and other movies." At the risk of sounding rude, I find it necessary to point out that the general clearly is not up to date. And that he should tear himself away from watching Italian movies and look around. Otherwise his calls for an uncompromising war on corruption may be perceived as the famous "Stop, thief!" cry.

Generally speaking, the degree of public activism of Major General Aleksandr Korzhakov is a universal indicator of the level of competency of the Russian Federation president. In our view, Boris Nikolayevich Yeltsin possesses two qualities that are quite ordinary in many other countries but are in tremendous short supply in the current Russian establishment. He is not a thief and not a villain. This already is enough to remain an acceptable president of Russia. However, the behavior of the chief of his personal security service increasingly suggests doubts regarding the president's capability. With all his shortcomings, Boris Yeltsin is the president Russia needs today (in any case, there is no other). However, if he gets into drinking cognac with Mr. Korzhakov, the latter will become de facto president of Russia. And he is clearly not the president Russia needs. Which has been proven once again by this interview in ARGUMENTY I FAKTY.

* * *

Lest the reader get the false impression that the chief of the RF president's security service, Aleksandr Korzhakov, in a soliloquy permitted himself a veiled threat of reprisals against banker Vladimir Gusinskiy, below are precise data on the subject of the major general's hobby.

"Geese are waterfowl of the Anatidae family, order Anseriformes. They are fairly large and weigh between 2 and 5 kg. Relatively long legs, more suited to walking than swimming. Massive bill, among some genera thick at the base. Geese feed mostly on dry land or in shallow water. They eat mainly plant food: stems and leaves, tubers, and seeds; the Arctic varieties eat shrimp, mollusks, and such. They nest on the ground or in the rocks, making nests of grass and moss lined with down...

"There are eight varieties of geese in the USSR: gray-lag goose, bean goose (habitat—tundra and forest-tundra), white-fronted goose, lesser white-fronted goose, swan goose (from Altay to Sakhalin), mountain goose (Pamir, Tian Shan, Altay), Emperor goose (Northeast Siberia, Alaska), and Snow goose (Vrangel Island and Arctic America)...

"All geese are commercial hunting fowl."

Great Soviet Encyclopedia, vol. 7, p. 462, Moscow, 1972.

Geese hunting is permitted in our country twice a year. The spring season lasts 10 days, and fall hunting is permitted during transmigration. Apparently during these periods we should expect a drop in Major General Korzhakov's political activities.

Hunting of some geese entered in the Red Book (Branta order geese, Canada geese, and others) is prohibited.

(Footnote compiled by T. Malkina)

Kovalev Says Premier Deliberately Misled on Chechnya

LD2601195695 Moscow Russian Television Network in Russian 1700 GMT 26 Jan 95

[Passages within quotation marks recorded; from the "Vesti" newscast]

[FBIS Translated Text] [Announcer] State Duma deputy Sergey Kovalev, well-known legal rights activist and human rights commissioner is convinced that in the light of the continuing bloodshed in Chechnya it would—and I quote—be blasphemy to admit Russia to the Council of Europe. Kovalev spoke about this and other matters connected to the Chechen crisis in conversation with Russian Prime Minister Viktor Chernomyrdin when they met today [26 January].

[Correspondent M. Lillevyaliy] Between trips to Groznyy, human rights commissioner Sergey Kovalev continues to knock on the doors of senior Kremlin officials. He continues to hope very much that there will be peace talks of some sort and a cease-fire in Chechnya. Today, Kovalev was received by Prime Minister Viktor Chernomyrdin. The meeting lasted 40 minutes, as expected.

[Kovalev] "He did not repeat the well-known formulae about no talks being held with bandits. On the contrary, he mentioned his contacts with [Taymaz] Abubakarov and [Usman] Imayev [both Dudayev representatives who recently visited Moscow]."

[Lillevyaliy] The human rights commissioner believes the talks held between the Russian prime minister, representatives of the Chechen diaspora in Moscow, and leaders of the anti-Dudayev opposition, Khadzhiyev and Avturkhanov, to have been pointless.

[Kovalev] "They are not partners for talks. There is only one partner. That is Dudayev's administration. The reason is very simple: Dudayev's administration maintains control over the armed Chechens—not all of them, but a considerable number of them."

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[Lillevyaliy] According to Kovalev, the conversation ended with the two men expressing their mutual wish to work together to find a peaceful solution to the conflict. True, according to Sergey Adamovich [Kovalev], this could be hampered by deliberate disinformation on what is happening in Chechnya, which is being given to the prime minister from certain sources.

[Kovalev] "I even know the names of two of those deliberately distorting the truth. I can tell you them. The first is Deputy Nationalities [and Regional Policy] Minister Vyacheslav Mikhaylov [passage indistinct]."

More on Kovalev-Chernomyrdin Meeting

LD2601150895 Moscow ITAR-TASS in English 1441 GMT 26 Jan 95

[By ITAR-TASS correspondent Igor Ivantsov]

[FBIS Transcribed Text] Moscow January 26 TASS—Russian Human Rights Commissioner Sergey Kovalev again tried on Thursday to talk Prime Minister Viktor Chernomyrdin into holding negotiations with representatives of Chechen leader Dzhokhar Dudayev, but it was not clear whether he had succeeded.

"I tried to convince Viktor Chernomyrdin that at the current stage of discussing a ceasefire and an armistice in Chechnya the federal authorities should negotiate with the Dudayev administration because it is only it that preserves control over a considerable part of armed Chechens and only it can order to cease fire and count that the order will be fulfilled", Kovalev told a press conference commenting on his Thursday meeting with the Russian premier.

It was not clear from Kovalev's comments whether he had convinced Chernomyrdin.

"The meeting ended by a our mutual expression of the desire to interact and use the influence of each of us for the search of a peaceful settlement of the Chechen problem", Kovalev said.

He added that the premier had reproached him for a "one-sided" approach to human rights problem in Chechnya, but stopped short of repeating his formula that he would not talk with "bandits".

Sergey Kovalev Not Allowed on OSCE Flight

LD2701131495 Moscow INTERFAX in English 1130 GMT 27 Jan 95

[FBIS Transcribed Text] MOSCOW, Jan 27 (Interfax)—An OCSE delegation under Istvan Gyarmathy, Hungary, left for Chechnya from the Russian Air Force's Chkalovsky Airstrip in the Moscow Region. A spokesman for the Russian Defense Ministry told Interfax that Russian Justice Minister Valentin Kovalev flew in the same plane.

The spokesman added that Human Rights Commissioner Sergey Kovalev also reported to the airstrip checkpoint Friday morning to fly in the same plane. The officer on duty did not let him in, however, because Kovalev did not have a pass into the airstrip.

The Defense Ministry spokesman explained that the commanders of the garrison had not been notified of Sergey Kovalev's intention to fly to the Chechen conflict area with the OCSE team. The spokesman said that Sergey Kovalev had gone back to Moscow when he had understood he would not be allowed to fly from the airstrip.

Kovalev Sends 'Open Letter' to Yeltsin

LD2701064695 Moscow Radiostantsiya Ekho Moskvy in Russian 0630 GMT 27 Jan 95

[FBIS Translated Text] Human Rights Commissioner Sergey Kovalev sent an open letter to President Boris Yeltsin. Kovalev demanded that either the president's edict on ensuring the constitutional rights of the commissioner should be annulled or order should be restored in the apparatus subordinated to the head of state with means at his disposal.

Kovalev was not allowed to board the plane that took the Organization for Security and Cooperation in Europe delegation to the Chechen conflict zone.

Kovalev Reportedly Resigns From Commission

LD2701115395 Moscow Radio Rossii Network in Russian 1100 GMT 27 Jan 95

[FBIS Translated Excerpt] [Announcer] So the OSCE delegation is carrying out its mission without the participation of Sergey Kovalev. [passage omitted: Aleksey Tokarev outlines the stated aims of the OSCE's trip to Chechnya and speculates on the reasons why the military do not want him to investigate the situation in Chechnya]

[Begin Tokarev recording] Today, in connection with his aborted departure, Mr. Kovalev sent a protest to the Russian president. [end recording]

[Announcer] It has become known that Sergey Kovalev has also declared his withdrawal from the supervision commission on the observance of human rights, which was set up in connection with the Chechen crisis and is headed by Justice Minister Valentin Kovalev.

Samolis Refutes Reports on Possible Defector

LD2601192895 Moscow INTERFAX in English 1718 GMT 26 Jan 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] Moscow, Jan 26 (INTERFAX)—None of the employees of Russia's External

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Intelligence Service (EIS) "have gone" to the West in recent times, press secretary of the EIS director Tatyana Samolis declared to Interfax Thursday.

She categorically refuted information of foreign mass media stating that several days ago colonel of the Russian Intelligence Service Fizret Dzhabozov fled to Great Britain.

"There is no such name in the lists of agents and employees of the EIS," Samolis underlined.

According to foreign mass media, Britain's Foreign Office has neither reconfirmed nor refuted information of the British newspaper THE SUN that a prominent Russian military expert in the area of nuclear arms and submarines fled to Great Britain.

At the same time the Foreign Office pointed out that an employee of the International Committee of Red Cross with such a name and surname was detained in London due to the absence of an entry visa and was interrogated.

According to the same sources, Dzhabozov did not ask to grant a political refuge for him in Britain.

On Thursday several foreign information agencies reported that Dzhabozov confessed that he is an employee of the Main Intelligence Directorate of the General Staff of the Russian Armed Forces.

Meanwhile, spokesman of the Russian Defense Ministry reported to Interfax that "there is no man under the surname Dzhabozov among employees of the Main Intelligence Directorate."

FCS Faces Possible Renaming, Reorganization

MM2701130195 Moscow ROSSIYSKIYE VESTI in Russian 27 Jan 95 p 1

[Report by Sergey Petrovskiy: "Federal Counterintelligence Service Expecting New Name, But No Reform"]

[FBIS Translated Text] The State Duma intends to start discussing the draft law on the federal organs of security, which has generated many rumors in circles close to the Federal Counterintelligence Service [FCS]. People there still remember the series of reorganizations of the organs of state security as a result of which they found themselves split and weakened. "If this law is adopted," V. Tomarovskiy, deputy chief of the FCS Public Relations Center, reported, "the counterintelligence service will change its name. There is no question of its reorganization."

The FCS is being renamed the Federal Security Service. "Power" subunits like "Vympel," for combating terrorism and organized criminal groups, will evidently appear in the Federal Security Service Special Operations Administration which is being created.

Interview Notes Zhirinovskiy 'Ready To Join Government'

BR2601145395 Paris LE MONDE in French 26 Jan 95 p 3

[Report on interview with Russian ultranationalist leader Vladimir Zhirinovskiy by Jean-Baptiste Naudet in Moscow, date not given: "Chechnya: 'A Festering Wound That Needed Cleaning,' Says Zhirinovskiy"]

[FBIS Translated Text] In the aftermath of the war in Chechnya, "everything is going fine," "better," even—according to Vladimir Zhirinovskiy. "After the war, Russia is like a living body after an enema; it is cleansed. Chechnya was like a festering wound in need of cleansing, and this is why everything is now fine," the Russian ultra-nationalist leader explained to LE MONDE on Tuesday 24 January.

An interview on credit. "Did they pay up?" Zhirinovskiy asks his staff before continuing. For him, in Chechnya, "everything is going fine," and so is it in Moscow. "The state was cleansed, we saw all the problems within the Army, we saw the weakness of some people, we saw who the traitors are," says the leader of the Liberal-Democratic Party of Russia (LDPR), less of a liberal and a democrat than ever.

"We Will Have 300 Members in Parliament"

Everything is going as well as could be hoped for: The fact that relations with President Yeltsin have never been better is "good" too. Even though "we did not move closer to the government, it is the government which came our way," he says in his comfortable headquarters at the Duma. "We are ready to join the government," Mr. Zhirinovskiy says. He would be content with "strong ministries" (defense, police, security services) and those connected with the economy. The idea is to "show" that such ministries, once in LDPR hands, "will be run better" than before. After the December 1995 parliamentary election, "we are going to have 300 members in parliament, we are going to be the strongest party, there will no longer be an opposition, it will be crushed," Mr. Zhirinovskiy says. He believes opinion poll figures, which currently credit him with some 15 percent of the votes, "should be increased fivefold." To everyone's surprise, his party came in first place in the December 1993 parliamentary elections with about 25 percent of the votes.

West as Destabilizing Force

Relations with the Russian president seem greatly improved. The LDPR is happy about the latter's "much more patriotic" stance. And Mr. Zhirinovskiy "has a liking" for the head of the "presidential security service," General Aleksandr Korzhakov, who is seen as the Kremlin's brain as he has a hand in economic reform as well as appointments in the secret service, which he intends to reorganize by placing it under the control of a new "coordination organ." IZVESTIA revealed on Thursday [19 January] that General Korzhakov also maintains a secret "analysis center," located at the foot of the Kremlin.

The 60 to 100 former KGB members which make up this center have supplanted, for all intents and purposes, the official presidential analysis center, which is headed by a

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proponent of economic reforms. According to IZVESTIA, members of the official center and those of the government now only deliver sensitive information to one another in written form for fear of the microphones set up by the presidential security service.

The commander of my guard is a friend of Korzhakov's," says Vladimir Zhirinovskiy. Even though it was Russia's first registered party, and although its means are rather strange and its behavior stranger still, the LDPR is not an invention of the KGB, says Zhirinovskiy advisor Vladimir Kosilev. "Proving this requires supporting documents. If Mr. Stepashin (the head of the FSK, which replaces the KGB—LE MONDE editor's note) says good things, why not support him?" asks the advisor.

The LDPR—which considers that the West "destabilizes" the country because what it wants is "a weak Russia"—believes that Boris Yeltsin has finally "understood" that "the solutions" advocated by the party "were the best ones." Statements from new privatization boss Vladimir Polevanov (who said businesses "unfairly" sold to foreigners should be re-nationalized) are appreciated here. "This is our position," Mr. Kosilev adds. After he scared investors, Mr. Polevanov was "reassigned" to the Kremlin on Tuesday [24 January], through a Yeltsin decree that made him the head of the "department controlling the implementation of presidential orders."

"Fifth Column"

Even though he met with Viktor Chernomyrdin on the eve of the Duma debate on the war in Chechnya, Mr. Zhirinovskiy will not reveal what was said on that occasion. "I was offered $10 million [to tell] and I said nothing... And yet you would know it for free!" he exclaims. His party blocked attempts from the democrats to have Parliament condemn the war. Mr. Zhirinovskiy confirms that he will "soon" meet with Boris Yeltsin. "We are going to talk about changes in the country's internal and foreign policies."

As regards foreign policy, one goal is to end embargoes against "some countries," presumably Iraq and Serbia. One adviser considers that by insisting that the embargo against Iraq should be lifted, Russian Foreign Minister Andrei Kozyrev has embraced the positions of the LDPR.

Mr. Zhirinovskiy also believes debts owed Russia by foreigners "should be recovered," and that "(financial) support to other countries should be discontinued." The head of his media service, General Viktor Filatov (proud of "fighting in Bosnia," on the "right"—Serbian—side, of course) breaks in for a moment, asking that the interview be submitted to him in the Russian language before publication. "It will be $1,000 per minute, to be paid by the end of the week," insists the secretary of the parliamentary group, a colonel and former military attache in Paris.

Mr. Zhirinovskiy goes on. At the domestic level, priorities are to "rebuild the industry," "reconstruct the private sector," and "fight crime." In a press conference in Moscow on Wednesday 18 January, LDPR members of parliament castigated "the fifth column which threatens to destroy Russia," that is, "extreme pro-western individuals such as Gaydar" (the former liberal prime minister), "national-separatists such as Dudayev" (Chechnya's secessionist president), and "the lobby of foreign capital and the mafia."

This fifth column "must be identified and neutralized, they added. And Mr. Zhirinovskiy concludes: "Those Chechnya-like sores that remain in Russia must be cleansed." Everything is going better and better indeed.

OSCE Representative Comments on Chechnya Mediation

95UM0213A Moscow MOSKOVSKIYE NOVOSTI in Russian No 3, 15-22 Jan 95 p 13

[Interview with Istvan Djarmati, personal representative of the chairman of the Organization for Security and Cooperation in Europe, by MOSKOVSKIYE NOVOSTI diplomatic observer Irina Lagunina; place and date not given: "Strong Pressure on Russia Is Unproductive"]

[FBIS Translated Text] **Following his negotiations in Moscow, Istvan Djarmati, personal representative of the chairman of the Organization for Security and Cooperation in Europe, believes that the OSCE is doing all it can for a Chechnya settlement, even without a mission of the organization in the area of the conflict. Istvan Djarmati is interviewed by Irina Lagunina, diplomatic observer of MOSKOVSKIYE NOVOSTI.**

[Lagunina] Mr. Djarmati, has there been a change in Moscow's position in relation to the OSCE in the past two weeks and is there an aspiration to cooperation on the Russian side? After all, there is, as before, no desire to admit an OSCE mission to Chechnya.

[Djarmati] Initially we heard "no" to any cooperation from the Russian side. We were then able to explain, most likely, that we have no intention of putting Russia on trial but merely wish to help.

[Lagunina] What is the nature of the OSCE's program of action in the area of the crisis?

[Djarmati] We plan primarily to send a delegation of experts to Chechnya. The purpose is to get acquainted with the situation, meet with representatives of the local authorities and the people, and hold meetings with representatives of humanitarian organizations. Perhaps we will be able in the future to help ensure that the humanitarian assistance reach those that need it. A plan of action will have to be prepared based on what the delegation learns.

[Lagunina] Russia has violated three principles of European security. It has, first, ignored the Treaty on a

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Reduction in Armed Forces and Armaments in Europe in regard to flank restrictions. Second, it failed to notify the European states of the commitment to Chechnya of a military contingent of more than 9,000 servicemen. Third, it has not proven that this operation is an operation to maintain or restore peace. How has the OSCE viewed these violations?

[Djarmati] We also are of the opinion that these violations have occurred, but we do not know to precisely what extent. We have not thus far gained access to the Ministry of Defense of Russia—we have not met with a single representative of the Ministry of Defense of the Russian Federation or the General Staff.

[Lagunina] Are they unwilling to meet you?

[Djarmati] We asked, but there has been no meeting. We do not, consequently, have precise information. If, however, we obtain it and conclude that there were violations, international law will take effect.

[Lagunina] What can the OSCE do?

[Djarmati] It cannot "institute proceedings" against a country, of course. But ascertainment of the mere fact that a state has violated commitments it has assumed exerts a negative influence on the attitude toward it.

[Lagunina] Is Russia's present position compatible with the proposals that the Russian delegation submitted for discussion in Budapest at the time of the OSCE summit? After all, the point at issue there—on Moscow's initiative to a considerable extent—was a strengthening of the role and a broadening of the functions of the OSCE.

[Djarmati] States have not thus far been inclined to cooperate with the OSCE in the instances where internal conflicts have begun on their territory. I hope that Russia will be the first and will thus really raise the prestige of the organization.

That war and violations of human rights are not by definition compatible with the principles of the OSCE is another matter. We are not questioning Russia's right to restore its own sovereignty throughout the state—this corresponds to the 10 base principles of the OSCE. It is merely a question of by what means.

But the Chechen conflict has already in principle become a new stage in the life of the OSCE. A leading power has for the first time allowed "interference in its internal affairs," and we have for the first time found nonconfrontational forms of cooperation for the resolution of a crisis. And the third novelty is that, perhaps, for the first time in history all members of the organization over two or three days formulated a common position in respect to what the OSCE can do. Previously both states and organizations—NATO, the CIS, the OSCE, the United Nations—were competing. Now for the first time all have agreed that the OSCE should retain the lead role.

[Lagunina] Nonetheless, the OSCE has been criticized for having adopted a wait-and-see position and for having applied no pressure on Moscow.

[Djarmati] I believe it is a good thing that Europe does not want confrontation with Russia. Everyone understands that it would be very difficult to resolve this conflict without Russia and against its wishes. In addition, a conflict between the organization and Russia itself could be created, which would cause a deterioration in the situation in Europe to a large extent. There are, it is true, limits of the extent to which we are prepared to apply such an approach, to "follow Russia"....

But what more do you yourself think we might be doing?

[Lagunina] With the rule of consensus that has been adopted in the OSCE, probably nothing. But the European Union, for example, could have suspended the provisional agreement on trade and cooperation.

[Djarmati] And would this have helped? Too strong pressure could be counterproductive, in my opinion.

Travkin Quits DPR, Duma Faction

LD2701131895 Moscow ITAR-TASS in English 1227 GMT 27 Jan 95

[By ITAR-TASS correspondent Lyudmila Aleksandrova]

[FBIS Transcribed Text] Moscow January 27 TASS—Nikolay Travkin, the founder and former leader of the Democratic Party of Russia [DPR], announced on Friday he is quitting the party and its faction in the State Duma because the organisation had switched to opposition.

"The main reason for such a step of Nikolay Travkin was that, according to him, the party had switched to the opposition", his aide Artur Nedoseko told TASS adding that Travkin is not going to join any other faction.

Contradictions between Travkin and his party aggravated after he joined the government as a minister without portfolio. It became hard for him to work in the government and head an opposition party.

Nedoseko said that two other party members had also left the faction together with Travkin.

Military Issues

Air Force General Criticizes Moscow 'Czars'

MM2601113195 Moscow PRAVDA in Russian 25 Jan 95 p 8

[Interview with Major General Nikolay Chaga, chief of the Center for the Combat Use of Front-Line Aviation and Retraining of Personnel, by Yuriy Golyshak and Viktor Kharlamov; place and date not given: "On a Wing and a Promise"—first three paragraphs are editorial introduction]

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[FBIS Translated Text] Around four years ago even the number of the Lipetsk garrison was kept secret from the press, its "admirers"—from everyone.

It is in Lipetsk that the latest versions of front-line aviation are certificated. There is surely no need to explain what that means.

When we visited this old city, of course, we could not resist the temptation to ask Maj. Gen. N.I. Chaga, chief of the Lipetsk Center for the Combat Use of Front-Line Aviation and Retraining of Personnel, some questions.

[PRAVDA] Nikolay Ivanovich, has your center been in existence long?

[Chaga] Aviation generally has been in Lipetsk since 1918. I do not want to get bogged down in the history now—it is such a rich and interesting history that it cannot be dealt with in just a few words. The name "Personnel Retraining Center" appeared in 1953. Incidentally, two years ago the whole city marked the center's 40th anniversary. There is a lot of background to those figures.

[PRAVDA] Then the next question is obvious: What are its tasks?

[Chaga] At the start of its life the center's main, if not sole task was to retrain combat unit air crews. The airmen were trained to use new equipment. In addition there was research in the sphere of the combat use of new technical modifications. The center's remit today can be reduced to three main functions. Our first main activity is to study the combat use of new aviation equipment. This is how it is done. First we fly the planes, then we write instruction manuals which we distribute to combat units. For example, there is a manual on the latest version of the Su-27. This is the best plane I personally have ever seen in my life. It is superior to previous designs of fighters in all parameters. The second task is the retraining of flight personnel. This has more to do with the center's theoretical base. Virtually all the retraining of airmen in the country happens via the center. Before the disintegration of the Union around 2,000 people a year attended the Lipetsk center. That figure is lower now, of course. How many? That is a secret. We provide practical retraining for leading personnel and then send them on to units. Our third and final task is combat training designed to back up the first two tasks. It isn't very complicated, is it?

[PRAVDA] No. But can you tell us something about the garrison's numerical strength and structure?

[Chaga] Until recently the center had three regiments on its strength (fighters, front-line bombers, and a mixed regiment of fighter-bombers). Then there were only two regiments left, and some time later the number was down to just one. There are four squadrons. Headed by Colonel Dobretsov—you have seen him. He is a top-class pilot himself. He was born in Lipetsk and has served in Germany, from where he recently returned home.

The Borisoglebskiy Air Regiment was attached to us not long ago. It used to train youngsters for front-line units approximately to the level of airman third class. What else can I tell you? We are equipped with the most modern and powerful machines—the MiG-29, the Su-27, and the Su-25. Specialists will understand what that means.

[PRAVDA] We can see that the aura of military secrecy no longer exists....

[Chaga] What is there to hide now? Do not be surprised, but we are being permanently monitored by NATO. On public view, as it were.... It would be stupid to invent secrets to keep from the Russian press. You have probably seen the lists on certain office doors showing the people allowed access there? From now on journalists should be allowed in there too and should be allowed access to airstrips, to the control towers when flights are taking place—everywhere.

[PRAVDA] So do you cooperate actively with the air forces of other countries?

[Chaga] Very much so. Since 1992 U.S. airmen have been asking permission to fly here from their base in Virginia (at Langley Field) in their F-15s, F-16s, and KC-10s. The French have been asking permission too—they have already been here from the Normandie-Neman regiment en route to the Far East. We put on a real air show on that occasion.

...The Americans are such arrogant "yankies," and their reaction to what they saw at Lipetsk was worth an article to itself. They were stunned! We laid on a unique meeting for our transatlantic guests. We held a service at Lipetsk cathedral, the second highest in Russia after St. Isaac's in St. Petersburg, and invited a Cossack choir to take part.... Two Su-27s flown by our pilots performed a synchronized "bell," a very complex aerobatic maneuver involving the highest level of skill. You must understand that technically it is impossible—you need luck on your side. I admit, we were lucky.

The well-known American air ace Wim Pelt—nicknamed Wee P.—is two meters tall and a most colorful kind of guy. When our delegation visited the United States he was so condescending toward us.... Then he came in person to visit us in Lipetsk and I saw that something was wrong with him. I went up to him and asked what was the matter. "I am stunned—what a range! From the sublime to the ridiculous. I have never seen airmanship like that in the United States," he replied. Then our American colleagues said to us with one voice: "We did not think that you were like this. For years they taught us that Russians were barbarians. We can see that psychologically American and Russian pilots are the same." It was gratifying to hear, and even more gratifying to realize that the boundaries between the world's air forces are disappearing. We have an opportunity to send 40 of our airmen to the United States, but

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we will most probably go to France. We have already received a group of 76 French personnel, by the way.

[PRAVDA] With your permission we would like to digress a little. As a military man you cannot be indifferent to the events in Chechnya....

[Chaga] I am not going to talk at length on that question. It is very painful. But I am a Russian Army officer and I am ready to carry out any order from my commander. I have taken an oath. If they send me to drop bombs I will obey. The lack of readiness on the part of the Defense Ministry and government to conduct such large-scale operations in Chechnya is clear to the naked eye. My personal view is that this "Abrek" [19th century anti-Russian Caucasian rebel—fbis] could and should have been pacified three years ago, and with bare hands furthermore. It is absurd to be trying to copy the Americans now with their "victorious little war"; but they bombed other people, whereas we are bombing our own power stations. The worst thing that can happen to a military man is to lose faith in his commander. Something like that is happening in the Russian Army now. It is a terrible weapon in our enemies' hands.... I can only put my trust for the umpteenth time—make a note of this!—in the wisdom of Mr Yeltsin, the president and my comrade commander in chief.

[PRAVDA] Let us return to flying. Ca you talk in a little more detail about the research and experiments conducted by the center....

[Chaga] There is no fuel, but the tasks that we face are just as complex and global as ever. Exercises are now being planned involving other types of aviation at our base. We have air defense and long-range aviation here. On 6 February we will be conducting our first night exercises, which some genius has dubbed "research flights." The point is that the exercises are supposed to be led directly by the commander in chief, but in this case the "parade" is going to be led by me. We are going to test interaction among the three main types of aircraft: long-range, front-line, and air defense.

We have the ability to resolve the most complex aviation research tasks imaginable. We have even initiated a number of risky experiments in which we overcame the resistance of the Defense Ministry along the way. Come what may, we accomplish our task, but the honors are shared equally—between the center and the ministry. Do you want an example? We have the ability to bring down air-launched missiles with our own missiles! Furthermore, 75 percent of the time with a direct hit. Such questions are not even studied in America. We carried out a long-range exercise in which an Su-24 was refueled in the air and an Su-27 went without refueling. Usually there are organizational problems with such flights, but this one was directed by the commander in chief himself, so there were none. We had our doubts about the Su-24. Did it have enough oxygen and gas? It did, thank God. This year we are planning a long-range flight test from Lipetsk to the Pacific using an Su-27. That is around 10,000 km! In addition we will be carrying out research in the mountains near Nalchik.

[PRAVDA] The "housing problem" is said to be the most painful one for pilots in the garrison....

[Chaga] At the present time one in two pilots is without an apartment. Only 2 percent of all Air Force personnel are "fliers," and one in two of that meager percentage in the country does not have his own accommodation. There are 850 people in our regiment who have no home of their own, and most of those who do need their living conditions to be improved. Just imagine, pilots are living in wooden barracks which go back to the time of the Germans or in semiderelict, substandard blocks of the Khrushchev era. We are dreaming of obtaining 150 apartments this year, but have not yet managed to agree terms with the construction workers. We continue to hope that 90 percent of "homeless" flight personnel plus half the Afghan vets, many invalids, and officers discharged into the reserve will get their own apartments. People spend 10 years traipsing around hostels and other people's homes. The construction of several apartment blocks has been frozen. We owe a total of 900 million for one of the complexes. That is not a lot—it is realistic for it to be paid off over time. But how many battles, legal suits, and court actions are generated by the "housing issue"!

Minister Grachev does not tire of saying that officers should be mandatorily dismissed into the reserve on reaching a certain age. We are discharging people—we are forced to—but we don't take them off the housing list.

[PRAVDA] You have enough problems, I presume, without this?

[Chaga] A great number. One thing I can say for sure is that the level of conscious responsibility felt by pilots of the Lipetsk garrison for the future of the Air Force and of Russia is equal to that of the government and president. I sense that a revival of our Air Force is in the offing. And it will start to take off right here in Lipetsk. The most surprising thing is that, despite all the confusion, there is no sign of falling morale in the regiment. Fighting spirit, moreover, is very high. Yes, we have lost a good deal; we are now doing much less flying. I was flying recently and... I made completely unexpected and absurd mistakes. I will go without practice for another month or two because of lack of fuel—I'll be forgetting how to land my plane. And I, after all, am a Pilot First Class with a huge amount of experience! What can you say in that case about the youngsters?

We have carried out only one flight operations shift in January. The ratio of current to past flying hours is estimated to be approximately 1 to 12. And we are still trying to improve despite this!

One more example: Completely new modifications of the MI-27M and Su-27IB have been carried out, but we

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do not have them yet. Such aircraft should come to Lipetsk as a priority, but the Air Force does not have the wherewithal to buy these planes for the regiment. Our best aircraft systems are sold abroad to support all the other sectors of the economy. May God ensure these aircraft end up in the hands of friends!

We receive little money and we receive it rarely. On the other hand we receive regular directives dead on time. There is a whole folder of them on my desk. How now, I wonder, is the plan to be drawn up?

Since August 1991 pseudodemocracy has been cultivated in the regiment. And how many problems there have been! These spurious democrats in uniform have reduced discipline in the regiment to an absolute disgrace, having virtually ruined the whole garrison at the same time. When I had to choose which regiment to retain as the base regiment during the latest round of cuts—the one where the command was procommunist, as it were, or the regiment with a "democrat" in charge—I retained the former without a moment's hesitation. What a pass we have come to! At a meeting a major gets to his feet, interrupts his squadron commander, and says: "Colonel, you have drawn up the report incorrectly. It should have been done this way." And the commander does not have a leg to stand on—he himself has reduced things to this shambles. I must admit I did not understand Shaposhnikov when he spoke about the possibility of not executing an order when you disagree with your commander. Stupidity! I would like our rivals to have such an army.

[PRAVDA] Do you consequently belong to the "opposition"?

[Chaga] I have a feeling that someone in the supreme command is deliberately muddling the whole situation in the units and emasculating discipline. It is becoming impossible for military formations to function. But what we do have in abundance are appeals to enhance our vigilance. Specially with the start of the "Chechnya campaign...." With a large-scale cutback at the same time. We hope that the leadership will change its mind. And where do we go next? I have another two years to serve, no more, and I want to leave my successor a combat-ready detachment. I have ordered several high-ranking officers replaced at the center, we will be strengthening the staff and renewing leading personnel. We are looking for people who are resourceful and aware. Reorganization will take place more incisively over time. I have already said that we got the Borisoglebskiy regiment as a Christmas "present." There will also be a cadre clear-out there. But the atmosphere in the unit is now so healthy that it is simply surprising.

I am waiting for the Judgment Day when everyone receives their just deserts. When will it be? The actions which Moscow takes at times can no longer be written off as stupidity.... They are a crime! When it was suggested to Catherine the Great that a patch of land be lopped off in favor of her native Germany, she replied: "I am empress of Russia and will serve Russia alone!" The present "czars" behave in precisely the opposite way.

Economic Issues

Chernomyrdin Rejects Criticism of Economic Reform Policy

MM2601142195 Moscow ROSSIYSKIYE VESTI in Russian 26 Jan 95 p 1

["Own Information" report: "Both Strategy and Tactics Are There"]

[FBIS Translated Text] The government is often criticized for not having a clear-cut plan for conducting economic reform. That it does not know where it is leading the country. This claim was rejected yesterday by Prime Minister Viktor Chernomyrdin. He took part in the work of an enlarged collegium of the Russian Ministry of the Economy and gave a long report "On Areas of the Russian Federation Government's Socioeconomic Policy for the Current Year and the Near Future." Leading economists and ministry and department leaders took part in the discussion of the report.

Premier's Speech, Implications Assessed

MM2701113995 Moscow IZVESTIYA in Russian 27 Jan 95 pp 1, 2

[Report by Irina Savvateyeva: "Chernomyrdin Leaving No Hope for Those Opposed to Reform in the Country"]

[FBIS Translated Text] An enlarged collegium session was held at the Russian Ministry of the Economy Wednesday [25 January]. This seemingly organizational event was, in our view, the most important event of the last few days. Its aim was for Premier Viktor Chernomyrdin to stake a resolute and very convincing claim to the role of guarantor of economic and, consequently, political stability in society in the current situation.

And there was no mention of politics at the event. It was a question of purely economic matters—the economic results of 1994; an analysis of mistakes and failures; the setting of short- and medium-term tasks; and the role of the Ministry of the Economy in the reform process. But the event was marked by the spirit of the premier's speech.

You got the feeling that that there was no trace left of the Chernomyrdin who had once talked about "laboratory chiefs" who had "come to take charge." His speech was that of a convinced market reformer. These were not the standard cliches about "sticking to the reform policy" that are used at every juncture. These were the revelations of a beaten and broken politician who had suffered to learn an abiding truth—that without macroeconomic stabilization and financial stabilization it will not be possible to get out of the crisis and boost production.

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Chernomyrdin did not merely put forward correct and abstract market slogans. His entire speech was about how to back these slogans with a specific economic program, and how to make this program a real fact of Russia's economic life.

Summing up the results of last year, the premier listed the following as achievements by his cabinet: The maintenance of the "overall policy of liberalizing the economy"; the carrying out of phase one of privatization (and "no changes in privatization and particularly its second phase, and Polevanov was "our biggest mistake" [punctuation as published]); the "major tightening" in financial policy last fall; and the "real signs of stabilization" in the summer.

On the other hand, the "our major mistakes" section included: the inconsistency of financial policy and the "lack of specific mechanisms to back up our statements in this sphere"; the slow pace of institutional transformations (particularly in the sphere of the regulation of natural monopolies, transformations in the fuel and energy complex, and the licensing of economic activity); and the absence of a full-fledged state investment policy.

A great many original ideas about investment were voiced. Different aspects of the common slogan "the purpose of all our work is to give scope to private investment" were developed:

"There have been organizations existing for two-three years that are either wholly state organizations or have a considerable amount of state participation.... I am thinking of the Yuriy Petrov and Andrey Nechayev corporations. What have they accomplished? What is behind them? I only know that there is money there, and probably lots of it...."

"Raising of money from the population by the state virtually collapsed last year. 'MMM' and the 'Khopers' have learned how to do this extensively. But we, such clever people, could not...."

"And sometimes we also tie our commercial banks' hands. We will suddenly try to...push them in certain directions.... And it turns out that we benefit neither ourselves nor other people...."

In general, Chernomyrdin's entire speech, which was formally addressed to the members of the Ministry of the Economy Collegium, was to all intents and purposes targeted at a wide range of Russian (and not only Russian) investors—bankers alarmed about the political situation and attempting to hang on to their money, using it in foreign-exchange operations; entrepreneurs retaining their profits outside Russian borders; and ordinary citizens, who have given Mavrodi their last kopek.

Effectively, the premier was hinting to all of them that—guys, in this confusion I am planning to uphold your interests as the state's interests; I am taking responsibility for the struggle against inflation; I will maintain the political stability required to strengthen Russian capital.... Only, give us another chance—just support us!

Chernomyrdin quite clearly recognizes that this chance—the relatively painless emergence from the prevailing critical economic and political situation before the start of the election campaign—will be the last one (provided, that is, there is a last chance). And it will not only be the last chance for him as a politician, but for the country as a whole. The premier's entire speech was imbued with the worrying feeling that time is short. "We have no time," "we will have to do in 1995 what we should have done in 1994...."

And it seems as though, in order to achieve this aim, Chernomyrdin was able to select a totally correct and clear-cut style of political behavior—judging from his speech he does not plan to oppose any legitimate political forces. On the contrary, he is ready to seek common ground.

However, he hinted to a well-known group of people in the president's entourage that he would not be accommodating them [stelitsya pod nikh ne budet] (this was in reference to Polevanov and Petrov, and to the attempts to "tie the hands of our commercial banks"). But the positions of the president himself were not used as a starting point [pozitsii samogo prezidenta ne zadel]—there was not even the slightest pointed claim about "political leadership" of the process.

Yes, sectoral lobbyists were sternly shown the door at the Ministry of the Economy. ("The specialists here maybe understand even more than certain other workers, particularly sectoral workers." "You, Yakov Moiseyevich (Deputy Minister Ya. Urinson) have said that you had resolutions worth 20 trillion [rubles] for January alone, but you did not add that I did not telephone you about any of them"). But there was particular mention of the need to seek common ground with deputies and reach compromises with a view to observing the balance of social interests.

What about the tax reform proposals that have gotten bogged down in parliament? "I see this as proof of the very poor effectiveness of the work of economic departments with the corps of deputies," "...begrudging the time to seek compromise with deputies would be counterproductive," "we need to learn to be convincing and to explain everything down to the last kopek...", "when we have to, when we explain things, when we want to explain things—everything will always come good."

Undoubtedly, this event, which was held at the Ministry of the Economy with the participation of the leaders of leading ministries and departments and the head of the Central Bank, will make some substantial amendments to the disposition of forces within the government itself. The role of the Ministry of the Economy—as a bastion of reform and liberalism within the Cabinet of Ministers—has been elevated by the premier to a seemingly unattainable height. "The place where the strategic thrust of

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economic development should be elaborated." "The general staff of reform." "Each decision pertaining to specific questions of economic development—whoever may make it—must have passed through this general economic filter, which is designed to screen out any attempts at lobbying...." This was all Chernomyrdin—on the Yasin—Urinson team led by Chubays.

It seems as though Oleg Nikolayevich Soskovets will have to get moving. At least, the premier unambiguously stated that the functions of the Ministry of the Economy will be expanded. Thus, we can state that "iron Chubays" has won yet another victory—following Polevanov and the passage of the budget on second reading. It would be entirely logical if Anatoliy Borisovich rather than Oleg Nikolayevich were soon to sit in for Chernomyrdin when he is absent from government sessions. It seems as though Oleg Nikolayevich has lost this political game of chess.

Thus, Chernomyrdin has said his piece. And he has taken a step that commits him to a lot in the game of politics. The next few months will show whether he will be able not only to stand firm but to move forward, preventing the economic situation from collapsing and the political situation from exploding.

Federal Assembly

Kozyrev on U.S. EU 'Common Sense' Over Chechnya

LD2601152095 Moscow ITAR-TASS in English 1500 GMT 26 Jan 95

[FBIS Transcribed Text] Moscow January 26 TASS—Kozyrev said that the United States and the European Union "displayed common sense" by refusing to impose economic sanctions on Russia because of the Chechen crisis. He characterised the position of the Islamic Conference Organisation as "reserved".

Asked whether it was possible to avoid numerous victims, Kozyrev said the answer can be provided only by the commission set up at the recent meeting of the Security Council. "It is necessary to clear the issue quietly and with responsibility", he said.

The minister also stressed that Russia was open to the world both in the humanitarian and information aspects of the Chechen crisis.

"We have no state policy of limiting information", he said adding that the openness with which the operation in Chechnya was carried out was "unprecedented" from the point of view of the world practice.

Russia was also opened in shipping international humanitarian aid to Chechnya and will "cooperate with the world in holding free elections there", Kozyrev said adding that an OSCE delegation is leaving on Friday to the conflict zone to provide "assistance in restoring democratic institutions".

Duma Bewildered by Chechen 'Foreign Minister' in U.S.

LD2701102195 Moscow ITAR-TASS World Service in Russian 0929 GMT 27 Jan 95

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Translated Text] Moscow, 27 Jan—The lower chamber of the Russian parliament today instructed its international affairs committee to ask the Russian Foreign Ministry how the so-called "foreign minister of Chechnya" had obtained an entry visa for the United States.

At Friday's plenary sitting, a number of Duma deputies voiced their indignation over the activities and pronouncements of Shamsetdin Yusef, who is currently in the United States and depicts himself as the "head of independent Chechnya's foreign policy department."

Bewilderment was expressed in speeches over the fact that U.S. officials were making no reaction to the provocative statements made by Dudayev's protege, who had poured out a stream of slander and threats against Moscow.

State Duma Prefers To Discuss Kovalev, Not Grachev

LD2701102695 Moscow ITAR-TASS in English 0931 GMT 27 Jan 95

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Transcribed Text] Moscow January 27 TASS—The Russian State Duma preferred on Friday to discuss the activities of Russian Human Rights Commissioner Sergey Kovalev in Chechnya, rather than those of Defense Minister Pavel Grachev.

Later in the day the Duma will consider a draft resolution which envisages that Kovalev has to submit to the lower house a report on his activities before February 10 and that the Duma leadership is to draft a lawbill "on the Russian human rights commissioner".

Earlier the Duma had decided to consider whether Defense Minister Pavel Grachev corresponds to his position in connection with the Chechen crisis. However, as it already happened on Wednesday, the Duma preferred to discuss Kovalev, while Grachev's issue was included into the reserve of the agenda which means that lawmakers can consider it if they have time.

Kovalev is known for his resolute opposition to the use of force in Chechnya for which he was branded by Grachev as an "enemy" and a "traitor".

Kozyrev Assesses Foreign Links in Light of Chechnya Events

LD2601133095 Moscow ITAR-TASS in English 1305 GMT 26 Jan 95

[By ITAR-TASS diplomatic correspondent Dmitriy Gorokhov]

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[FBIS Transcribed Text] Moscow January 26 TASS—Russian relations with foreign partners "passed the endurance test" caused by the Chechen crisis, Russian Foreign Minister Andrey Kozyrev told the State Duma Committee on Foreign Relations on Thursday.

"None of the states has put in question the territorial integrity of Russia and recognised the separatist claims of the regime of (Chechen leader Dzhokhar) Dudayev", the minister stressed.

Kozyrev qualified the Chechen independence bid as an "armed mutiny" and said international norms allowed Russia to suppress it by force.

Speaking on Western understanding and support to Moscow, Kozyrev referred to telephone conversations of President Boris Yeltsin with foreign leaders and his own meetings with his counterparts.

Federation Council Speaker Reveals Chechnya Plan

LD2601154095 Moscow INTERFAX in English 1402 GMT 26 Jan 95

[FBIS Transcribed Text] Moscow, Jan 26 (INTERFAX)—Meeting the press in Moscow Thursday, Vladimir Shumeyko, chairman of the Federation Council, the Russian parliament's upper house, outlined a plan of further actions toward a settlement in Chechnya, adopted by Russia's Security Council Wednesday.

Shumeyko reported with reference to the Council that conditions are ripe for restoring peace, for which the troops deployed in the conflict zone should return to the sites of their former army compounds and start restoring them or building new ones, and Interior Ministry troops should take over from the army the job of disarming the illegal gangs.

Pending elections of legitimate bodies of power in Chechnya, presumably this year, an interim government should be formed. This cabinet should rely on the National Reconciliation Committee (a public body of members of the former parliament of Chechen-Ingushetia, representatives of the Chechen diaspora, and the clergy).

Economic, infrastructure, and other destroyed institutions should be analyzed in detail before drafting a comprehensive plan of assistance.

Electricity and water supply, telecommunications, and oil extraction should be restored primarily. By Shumeyko's estimates, up to 4 million [metric] tonnes of crude oil a year could be extracted in Chechnya, and earnings from oil sales could offset the costs of economic reconstruction, Shumeyko said.

A border zone with a special passage regime should be created along the state frontier of the Russian Federation within the bounds of North Ossetia, Ingushetia, Chechnya, and Dagestan.

Shumeyko concluded by saying that to implement the entire set of measures, a member of the Russian cabinet of a rank not lower than Deputy Prime Minister must remain permanently in the Chechen Republic.

Duma's Piskunov Interviewed on Army Budget

MM2501125595 Moscow KRASNAYA ZVEZDA in Russian 25 Jan 95 pp 1,3

[Interview with Aleksandr Piskunov, deputy chairman of the State Duma Defense Committee and chairman of the Duma Commission for Defense Spending, by Vladimir Yermolin; place and date not given: "Will the Lessons of the Chechen Tragedy Be Taken Into Account When the 1995 Defense Budget Is Adopted? Or Will the Policy of Financially Ruining the Armed Forces Prevail Once More?"—first paragraph is introduction]

[FBIS Translated Text] Emotions are once again hotting up over the country's defense budget. There is every indication that the Army is on the verge of receiving what is a purely symbolic sum in 1995 for defense spending. How is that possible? What can be expected of the State Duma in this situation? Are there any scenarios whereby the financial noose around the Army's neck might be relaxed if only a little? Aleksandr Piskunov, deputy chairman of the State Duma Defense Committee and chairman of the Duma Commission for Defense Spending, answered these and other questions.

[Yermolin] Aleksandr Aleksandrovich, there has been a lot of talk about the 1995 defense budget but I am afraid that a bleak result is already predetermined for the military. As someone who has been involved with spending on the Armed Forces for several years now could you tell us what is happening with the defense budget? After all, it is clear even to a nonspecialist that in 1995 the Armed Forces not only cannot operate on the money allocated by the government but simply cannot exist either.

[Piskunov] I have been tackling defense spending issues for four years now. Previously in the Supreme Soviet and now in the State Duma. I assure you that the legislature has scrupulously examined problems of army funding. We spent 8-10 hours a day for a month conducting hearings with representatives of the various interested departments, thoroughly investigating all the details of the secret items of the defense budget right down to cartridges and rusks. The material from the hearings ran into 16 volumes. But that is not the point.... THIS IS THE FIRST TIME THAT I CAN REMEMBER SEEING SUCH A SUPERFICIAL ATTITUDE ON THE PART OF THE GOVERNMENT TO ARMY FUNDING. The Conciliation Commission did not take into account any of the proposals submitted by the parliamentary Commission for Defense Spending. That is why I was forced to say that I was quitting the

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Conciliation Commission. My presence there was pointless. What kind of accord can there be when the government commission did not even consider all the Duma Commission's proposals in respect of secret sections of expenditure.

[Yermolin] Be that as it may, it is the State Duma that should produce the final parameters of the budget, including the defense budget.

[Piskunov] The Duma's responsibility on the budget issue is obvious. But I would like to say this.... Every year we see the same scenario. The Defense Ministry's Budget Directorate requests an amount of defense spending which it knows to be unfeasible. Thus in 1994 it asked for 87 trillion and in 1995 111 trillion. These are unfeasible sums for the state treasury. These figures are not regrettably accompanied by exhaustive validation. We have to conduct hearings to get together the validation ourselves. Then once the Defense Ministry has applied for its Armed Forces spending, the government in the shape of the Finance Ministry comes up with its figure, which is lower by a factor of 2-2.5. And the draft budget is submitted to the parliament. Amid the severe disagreements between the Defense Ministry, the Finance Ministry, and the Ministry of the Economy the State Duma is obliged to assume full responsibility for the budget along with all the criticism regarding its ill-conceived nature. Although the parliament does not have the right to enshrine its figures in a draft law without coordinating them with the government. THE UPSHOT BEING THAT HALF AS MUCH DEFENSE SPENDING IS ADOPTED AS THE DEFENSE MINISTRY REQUESTED AND IN PRACTICE THAT IS ONLY 60-PERCENT IMPLEMENTED AND THEN IN DRIBS AND DRABS (50-60 PAYMENTS A YEAR). Naturally the military department, having received an even smaller sum for its needs than that prescribed by law, is forced to perform the same procedure as the government—and forward this money to districts while effectively closing its eyes to how it is spent at local level. Because it is more apparent to a commander how to spend the money—on fuel and lubricants, payment of leave, etc. And this practice goes on year in year out. The government tells us: You see, nothing terrible has happened—the army can survive even with this kind of budget. Chechnya has now shown how the "army is surviving" on meager financial rations where combat training schedules are cut back, no new hardware and weapons are procured, there is no money for contract personnel, etc. Not to mention the fact that the Defense Ministry shortfall is still rising. This year the Defense Ministry's shortfall exceeded the quarterly appropriations to total 12 trillion rubles [R]. That is, the army failed to receive virtually a third of the sum (which has, I would remind you, been halved by the government) that the law seemingly guaranteed. The upshot being that the Defense Ministry is almost becoming the most inveterate debtor. Today the military owes R7.8 trillion to agrarian personnel, the defense industry, power generation workers, etc. In terms of specific items the state's arrears to the Defense Ministry look like this: R3 trillion for arms procurement (36 percent), R822 billion for research and development (33 percent), and R2 trillion for housing construction (42 percent). In this situation inter alia what kind of housing construction program can there be for servicemen?

WE HAVE TO FACE UP TO THE TRUTH: TODAY WE ARE SPENDING MONEY ON CLOTHING AND FEEDING THE ARMY BUT IN A YEAR THIS EXPENDITURE WILL HAVE BECOME POINTLESS—WHY KEEP AN ARMY WHICH HAS NOTHING TO SHOOT, NOTHING TO DRIVE OR FLY, AND WHICH IS LOSING ALL ITS COMBAT QUALITIES?

[Yermolin] Nonetheless what is the government's stance as regards the money owed to the Armed Forces? The rules of decency presuppose that the debts should be repaid.

[Piskunov] As far as I am aware, THE GOVERNMENT IS REFUSING TO ACKNOWLEDGE ITS DEBTS TO THE ARMY FOR LAST YEAR. At best they are promising to pay 2 trillion, and, what is more, within the 1995 defense budget framework.

[Yermolin] But the government is saying that defense spending represents the same proportion of the 1995 federal budget as it did in 1994.

[Piskunov] That is not true. The state's budget was always based on the country's so-called summary financial balance, even during worthier times. The State Planning Committee used to calculate the federal budget and regional budgets.... Now the system has collapsed. According to the figures that the government submitted to the Duma, over the last few years the federal budget has dropped as a proportion of the country's summary financial balance from 35 to 29 percent. When it comes to 1994-95 the federal budget has been "slimmed down" by 20 percent. Naturally, defense spending has also "dropped" by 20 percent. And here is another element. We are shifting the center of gravity and transferring many federal programs to the regions. The federal budget is diminishing accordingly. And once again the proportion of military expenditure is dropping. Thus, we would remind you of the figure: Defense spending has "dropped" 20 percent compared with 1994 plus the arrears—29 percent. REAL DEFENSE APPROPRIATIONS IN 1995 WILL BE HALF WHAT THEY WERE IN 1994. THAT IS ENSHRINED IN THE GOVERNMENT'S DRAFT FEDERAL BUDGET BUT THIS AMOUNT TOO MUST BE DIVIDED BY A FACTOR OF 1.5 ALLOWING FOR INFLATION. Incidentally, the Conciliation Commission agreed that the inflation factor in 1995 would be 1.85 although it is obvious that it will top two owing to Chechnya alone.

[Yermolin] A more than gloomy picture....

[Piskunov] ALL LEADERS OF DEFENSE INSTITUTES, DEFENSE INDUSTRY DIRECTORS AND

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WORKERS MUST BE TOLD HONESTLY TODAY THAT IN 1995 THEY WILL NOT RECEIVE A CENT FROM THE DEFENSE MINISTRY FOR WORK THEY HAVE ALREADY DONE AND FOR WORK THEY ARE YET TO DO. One can say: THE ASPHYXIATION OF DEFENSE SCIENCE IN RUSSIA IS BEING SUCCESSFULLY COMPLETED TODAY. Even China, which has the largest army and gigantic mobilization resources, has doubled research and development spending over the last five years. In terms of GDP Russia comes after Italy, but why habitually carry on comparing forces with the United States and reduce expenditure on the development of new-generation weapons and technology to zero. At one time Reagan said that he would make the arms race consume the Soviet Union. And, while often bluffing as in the case of SDI and simply planting disinformation, we were forced to respond to one new type of missiles with five, one tank with 10, etc. Now we are vigorously engaged in disarmament. Colossal sums of money are needed to destroy 40,000 tonnes of chemical weapons, 80,000 freightcars of munitions dating back to World War I and the Great Patriotic War, and 120 atomic submarines with unsafe reactors. And we do not have the money to do all this. Yet we place trillions in the budget to ensure that Ukraine removes from combat alert duty the missiles targeted at the United States. JUST AS WE WERE AT ONE TIME EMBROILED IN THE ARMS RACE, SO THE UNITED STATES IS TODAY EMBROILING US IN THE DISARMAMENT RACE WITH ALL THE ENSUING CONSEQUENCES FOR DEFENSE AND THE STATE TREASURY.

[Yermolin] Nonetheless what can the Duma specifically do in these conditions?

[Piskunov] The Defense Committee is acting on the premise that the country has no spare cash and that it is also necessary to carry out the pledges to the IMF and the Paris Club, i.e. the budget deficit must not exceed the agreed amount. Therefore we are proposing to increase revenue by R7.8 trillion, that is by the amount of the arrears to the Defense Ministry. Expenditure is accordingly also increasing. The Defense Ministry gets an opportunity to pay off all its accumulated debts. Where are we proposing to get this 7.8 trillion? By revoking many organizations' tax and customs concessions. Today customs chiefs themselves are puzzled: Nowhere in the world in such complex economic times has customs and tax policy been implemented as it is now in Russia. Concessions are being granted to commercial structures in an effectively indiscriminate fashion, not for a specific deal. I realize that the disabled should receive a discount on imports of equipment for production in which the disabled are involved. There must also be concessions when the country is supplied with new technologies.... What can be done here? Set up a compensation fund using a certain percentage of the customs duties. And use this fund to offset the cost of specific deals. We have masses of organizations engaged in providing social protection for servicemen that have for some reason been exempted from everything. The system of indiscriminate concessions must be abolished, And let the Interdepartmental Commission for the Social Protection of Servicemen, led by Yarov, adopt a decision in each individual case in order to back specific projects. Then money will not be allocated on the basis of good intentions but for a real job. To buy housing for servicemen, for instance. Right now another system is in "operation": Preferential loans are issued in return for fine documents and this money is then used to procure vodka abroad, which is once again imported to Russia duty-free. I assure you that all the wine and vodka is coming into the country at preferential rates. A bottle incurs customs duty of R16,000, yet it is being sold at this price in the commercial stores. Clearly money that could have entered the state treasury is going astray. According to the findings of Glazyev's committee [the State Duma Committee for Economic Policy], this measure alone should produce R400 billion when the Compensation Fund is formed and a total of $2 billion additional revenue a year. In ruble terms this totals even more than all the Defense Ministry's debts.

Here is another means of swelling budget revenue: tariffs for Russian gas shipments. Now that we are joining international trading structures, we will naturally be asked to lower tariffs. But, from the viewpoint of the interests of the national treasury, it pays for us to increase these tariffs. Which is what we intended to do—from five to seven ECU's [European Currency Units]. Instead Chernomyrdin decided to lower tariffs to two ECU's. It is said that Gazprom will nonetheless pay these three ECU's—only not to the federal budget, but to local budgets. And Gazprom's enterprises will have an opportunity to improve their social infrastructure.

Now let us look at another factor. Under the Constitution a restricted number of spheres comes under state jurisdiction, to wit: defense, international activity, power generation, communications.... With the exception of defense they all have their own source of revenue. Particularly power generation and communications. And in addition the regions are concerned about them. Local allocations can be made for medicine, culture, or anything, but no one would think of, even partially, funding a local military school say, not to mention a troop unit. Rather the opposite, as the experience of the last few years has shown—the local authorities treat the military like hardened debtors, often using the language of ultimatums. So it looks as though BY REDISTRIBUTING GAZPROM MONEY FROM THE FEDERAL BUDGET TO LOCAL BUDGETS, THE GOVERNMENT IS AGGRAVATING STILL FURTHER THE ARMY'S FINANCIAL POSITION SINCE IT IS FUNDED SOLELY BY THE FEDERAL BUDGET. At the moment the government has not heeded our proposals. However, this policy of "starvation rations" for the Armed Forces is also affecting the country's production potential. The thing is that the federal budget does not include money to maintain the state's mobilization resources therefore "defense industry" leaders are forced

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to include spending on the upkeep of mobilization resources in the price of what is strictly civilian output. The upshot being that the price of Russian microwave ovens or bicycles is higher than that of the same output imported from abroad. Demand from potential purchasers is low and "defense industry" depots are crammed full of unwanted output. Yet today the military-industrial complex's military output totals less than 20 percent. Civilian goods make up all the rest. The law does not make it possible to reduce their prices. So it turns out that we have imported goods in all Russia's stores and national output, which is not inferior in quality to foreign output, does not get any further than plant depots. Can this approach to the "defense industry's" problem be described as economic and state-minded? I think not.

[Yermolin] Aleksandr Aleksandrovich, I realize that there is little cause for optimism in this conversation. But what can the Army hope for—what do you predict will be the result of the State Duma's discussion of the draft federal budget?

[Piskunov] The Duma realizes the complex position in which the Army has found itself today. But I know that it would be far easier to uphold the interests of the Armed Forces in parliament were the military department to submit exhaustive evidence that it is vigorously engaged in military reform. Many deputies have serious doubts that this reform is being implemented. Although once again any reform costs plenty of money. It is a vicious circle. Second, you can count on one hand those people in the corps of deputies who have a professional knowledge of the problems of defense and the Armed Forces. Dozens of deputies and whole factions reliably uphold these sectors' interests in the Duma. This pertains to the question of the Army's taking part in parliamentary elections. The Army needs to have its own representatives among deputies.

[Yermolin] I agree with you. Admittedly, I would like to hope that deputies realize that the Army belongs not to the military but to the state, and Russia's defense capability is not the private affair of generals and officers but a question of the country's viability, its future.

[Piskunov] I have already mentioned my personal position. I can only add that if the Duma does not increase defense spending by at least the amount that the Defense Ministry is owed, I will vote against the adoption of this law on the federal budget.

[Yermolin] For my part as a parliamentary correspondent I will try to familiarize our readers with the results of the roll-call vote on the budget.

'Not Even a Glimmer of Hope' for More Army Funding

MM2701090595 Moscow KRASNAYA ZVEZDA in Russian 27 Jan 95 p 3

[Report by Vladimir Yermolin: "No Signs of Improvement in Army's Financial Position. Defense Budget Remains a Matter of Peripheral Attention for Deputies"]

[FBIS Translated Text] The draft federal budget was given its second reading in the State Duma Wednesday [25 January]. This should apparently herald the final adjustment of the main parameters of revenue and expenditure and the budget deficit. But since parliamentarians gave the law on raising the minimum wage—to 54,100 rubles [R] a month—a third reading a couple of minutes later, the budget deficit will inevitably be modified. Finance Minister Vladimir Panskov believes that deputies have cornered themselves; they now have to find over R50 trillion within the parameters which they have adopted. It is hard to say how they will do that. They took a month to scrape together 5 trillion or so by agonizing over whom to take money from and whom to give it to.

Anatoliy Chubays, the government's spokesman at the State Duma session, told deputies after the lunch recess that the Conciliation Commission is proposing to reduce the rate of the special tax from 3 to 1.5 percent. Then budget revenue will gain an extra R5.7 trillion. There will be an opportunity to maintain agricultural funding at last year's level; the rest will fall to the social sphere. Strangely enough there was no thought of the Army. And what is there to share out there—crumbs that would solve nothing and help no one. Let me say a word about the arrears which the Defense Ministry is owed, incidentally. The finance minister doubted that the government owes the military department over R10 trillion. He thinks that, if arrears exist, they amount to no more than R2-3 trillion.

The second reading reinforced my view that the Army should not count on a change in its invidious financial lot. Right now there is not even a glimmer of hope. The third reading's intended redistribution of rubles between certain sections of the budget is a no more useful exercise than robbing Peter to pay Paul.

There is talk of setting up a special Armed Forces support fund. We have already seen this good intention. In last year's federal budget law. Naturally, everything just remained on paper. What point is there in talking about additional funds when the defense spending section itself is not being implemented?!

Now a few words about the raising of the minimum wage. A raise should automatically entail an increase in servicemen's pay. There should be no illusions here. If the Federation Council ratifies the law, which is doubtful since it envisages placing the main financial burden on the regions (and the senators, as you know, are all well-matched—heads of administration, regional leaders), the president will not sign it. But even if he does, the government will not be able to implement it since there is no money and no one stands to gain from cranking up inflation.

It is intended to give the draft law on the 1995 federal budget a third reading 10 days after deputies spend a week communicating with their voters.

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Duma Deputy Explains Reasons for Polevanov Sacking

LD2501171595 Moscow ITAR-TASS in English 1618 GMT 25 Jan 95

[By ITAR-TASS parliamentary correspondent Pavel Kuznetsov]

[FBIS Transcribed Text] Moscow January 25 TASS—Vladimir Polevanov was relieved of his post as chairman of the State Property Committee of the Russian Federation not for his mistakes but because he had risked pointing out miscalculations to First Vice-Premier Anatoliy Chubays, Deputy of the State Duma of the Federal Assembly, Stepan Sulakshin, told a news conference at the Duma here today.

According to Stepan Sulakshin, the former chairman of the State Property Committee submitted a report to the head of the government saying that the present economic course and privatization "a la Chubays" as one of its components, do not produce the expected results. This is the main reason for which Vladimir Polevanov became a disturbing factor among those who are conducting an "anti-market" and anti-state" economic policy.

The "reforms being carried out by Bolshevik methods at high pressure speed" are not justified and will lead to such a situation when electors at future elections will vote against the present economic course and the leadership of the country. Vladimir Polevanov told this to the government and thus became dangerous, the deputy of the Russian State Duma pointed out.

Stepan Sulakshin believes that in this situation the president of the Russian Federation in his annual message should outline those corrections which are necessary for the country's economic course taking into account the proposals and recommendations made by Vladimir Polevanov.

Duma Passes Broadcasting Law, Last in Media Package

MK2601131095 Moscow SEGODNYA in Russian 26 Jan 95 p 2

[Report by Aleksey Kirpichnikov in the "Duma" column: "The Duma Has Adopted the Law 'On TV and Radio Broadcasting.' Mikhail Poltoranin Has Emptied His Package"]

[FBIS Translated Text] The lower house of the Federal Assembly has adopted, in second reading, the law On TV and Radio Broadcasting, the last of the media laws developed by the Duma Information Committee under Mikhail Poltoranin. True, the list of the writers of the "Poltoranin" text, discussed yesterday, also includes the name of Sergey Baburin, a well known lawyer whose political affiliations, combined with Poltoranin's factional affiliations, assured the document's easy passage.

A number of provisions of the 18-page bill should be singled out. All broadcasting frequencies are declared to be state property. The state controls them via executive power bodies, granting corresponding licenses.

A new body is also established—"to promote activity" and for other high-minded objectives—the Federal Commission on TV and Radio Broadcasting. It issues and revokes licenses; monitors the implementation of license conditions; oversees compliance with advertising, erotic, charity, linguistic, and other norms of broadcasting; imposes fines; conducts research projects, and so forth.

The commission comprises a chairman and 15 members. All are appointed by the Russian president. Of this number, five are nominated by the Federation Council and five by the State Duma. The law says nothing about the selection of the other five members and the chairman. The "commissioners'" tenure is six years. They may be dismissed only on grounds of health, disappearance or death, resignation request, or indictment. The commission works under its own regulations (this was the only difference between Baburin, who proposed that regulations be approved by the State Duma, and Poltoranin, who called on the Duma members to display tactical restraint, in order to ensure the smooth passage of the law on TV and Radio Broadcasting through the Federation Council and the president).

By analogy with the federal commission, territorial commissions will be created at the local level, operating in one or several Federal subjects. Territorial commissions are formed by the federal commission which delegates part of its powers to them.

Broadcasting licenses may be held only by registered entities, provided they are formed by parties, trade unions, or religious organizations, while the share of foreign participation in them (capital or votes in a governing body) can not exceed 35 percent. The license is the sole legal ground for using a frequency. In choosing among several claimants, the federal commission takes into account the "interests of viewers and listeners," "diversity of opinion," and so forth, as well as the professional, technical, and financial possibilities, and the results of "other competitive procedures." The initial validity term of the license is 12 years for cable and wire networks and six years for wireless broadcasting. Conditional on the broadcaster's obedience to the law, a license may be extended for a term equal to the initial term.

It may also be revoked—in the event of repeat violation of conditions under the license or the media law, covert cession of the license, or non-broadcasting for six months. License processing fees are not refunded (the existence of such fees became known only from the revocation article in the law). The revocation decision may be appealed in a court.

TV and radio companies are independent, and interference in their activity by state bodies is not allowed. TV

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and radio companies, however, are obligated to give two-thirds of air time (with the exception of that given to news, sports, and international programs) to domestic media production. Another important provision is the institution of "emergency" broadcasting, introduced in the event of the state of emergency or martial law, natural disasters, or catastrophes. An emergency broadcasting channel (including in a nonstate company) may be demanded by the president, the government, and each house of the Federal Assembly.

Regional Affairs

Reportage, Commentary on Conflict in Chechnya

Government Report on Conflict Issued

LD2601220095 Moscow ITAR-TASS in English 2143 GMT 26 Jan 95

[FBIS Transcribed Text] Moscow January 27 TASS—The Russian Government's press service on Thursday released a report on the latest developments in Chechnya. The report reads as follows:

"According to the federal troop command, over the past twenty-four hours, federal troops continued combat operations to clear areas on the Sunzha left bank, to seize north-eastern Groznyy and to repel attacks by illegal armed formations.

Russian Interior Ministry troops blocked the main routes of the movement of Chechen militants, sealed off the areas of dislocation of illegal armed formations, and blocked the administrative border of the Chechen Republic in order to prevent an inflow of bands, mercenaries, weapons and military hardware, as well as protected communications, roads and bridges, and inspected transport vehicles. Special operations were carried out in Groznyy and the settlements of Nikolayevskaya, Ishcherskaya, Assinovskaya, Novy Sharoy.

Dudayev armed formations entrenched at strategically important positions overlooking the approaches to tunnels, bridges and other transport communications in mountainous regions. These facilities have been prepared for explosion. The Dudayev armoured vehicles are reported to withdraw from Groznyy.

Actions by illegal armed formations in Groznyy are becoming ever more disconnected and ungoverned. The militants' morale is sinking, which is proved by their remarks about the uselessness of further resistance. They experience an acute shortage of ammunition and food.

The numerical strength of militants around the settlements of Chemulga, Bamut and Arshty (the administrative border with Ingushetia) makes up to 2,000 fighters. Stocks of weapons and ammunition have been built up near Arshty. Not far from the village of Shali, militants force a group of some 200 ethnic Russians to stay there with a view to use them as a "living shield".

According to some reports, kamikaze units are being formed from among Dudayev's armed supporters (numbering from 7-12 fighters each) to fight federal troop armoured vehicles. These units are also to destabilize the situation, to hamper the return of ethnic Russian residents to their homes, to perpetrate terrorist acts against the leaders of local administrations, law-enforcement officers, to identify people assisting federal troops in restoring constitutional order in Chechnya.

According to the Russian Health Care Ministry, cases of pediculosis and botulism were registered over the past twenty-four hours at makeshift refugee camps. The ministry and local health care agencies are taking all necessary measures to liquidate the seats of disease.

As of today, 233 medical workers, including 155 physicians and 78 medical attendants, offered their help in restoring the health care system in the Chechen Republic in response to the call from the Health Care Minstry".

Southwestern Approach to Groznyy Dangerous

LD2701094095 Moscow ITAR-TASS World Service in Russian 0910 GMT 27 Jan 95

[By ITAR-TASS correspondent Ruslan Maysigov]

[FBIS Translated Text] Nazran, 27 Jan—Throughout last night the part of Groznyy controlled by the remains of Dudayev's forces was subjected to shelling, it was reported to the ITAR-TASS correspondent at the operational group of the government of Ingushetia. The shelling continued this morning as well.

According to information from the same sources, at present it is dangerous to enter Groznyy from the southwestern direction, which was formerly relatively calm, since this district is constantly being bombarded with heavy-caliber guns and salvo fire systems.

Clashes are continuing in the area near the tram depot, which is situated some 800 meters from the presidential palace. In the districts that the federal forces are controlling, Dudayev's supporters are making nocturnal sorties. According to the information from the Ingushetian operational group, there is no precise line of fighting in Groznyy.

Additional Report on Conflict

LD2701115995 Moscow ITAR-TASS in English 1137 GMT 27 Jan 95

[FBIS Transcribed Text] Moscow January 27 TASS—The government press service sent the following message to ITAR-TASS today:

"According to a report of the advance group of the press service of the Government of the Russian Federation:

"During the past 24 hours units of the federal troops were holding the districts of the city, captured before, were repulsing attacks of small groups of militants and were clearing the city.

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"Detachments of the Interior Ministry troops and the Special Militia Force (OMON) staged a special operation in the central districts of Groznyy today. They continued to eliminate illegal armed groups in the village of Asinovskaya, cleared the territory near the Staro-Promyslovskiy highway, conducted reconnaissance operations and supervised the passage of transport vehicles and cargoes at a check point west of the city of Khasavyurt.

"During the past 24 hours, helicopters of the task force of the Ministry for Emergency Situations brought 17.9 [metric] tonnes of food to Groznyy.

"A report has been received about the shelling by militants of residential areas in Groznyy from a Grad missile-launching installation, deployed near the village of Staraya Sundzha, along with spreading rumours that the shelling is allegedly being done by Russian troops.

"The Federal Counterintelligence Service received concrete information about Ukrainian nationalists, who are fighting on the side of Dudayev. One of them, dressed in a Russian uniform, surrendered several Russian servicemen to Dudayev's men as prisoners of war under the false pretext of taking them away from the zone of shelling."

Yegorov's Position Seen as Tenuous

MK2601093095 Moscow KOMMERSANT-DAILY in Russian 26 Jan 95 p 3

[Report by Ilya Bulavinov, Dmitriy Kamyshev: "Ministers Do Get Changed in Midstream"]

[FBIS Translated Text] At yesterday's session of the Russian Security Council, the start of a new stage in the operation in Chechnya was once again officially announced. At this stage, the main tasks of further "disarming" the gunmen have now been shifted to the Ministry of Internal Affairs, whose representative will take charge of the military grouping. Pavel Grachev, who did not court glory in the Chechen campaign, has ceded the helm to Viktor Yerin, who has long been in the shadows. The Security Council also decided to replace Nikolay Yegorov as the president's representative in Chechnya, and to create a commission which will analyze the "prehistory and the course of events in Chechnya."

The authorities seem to have realized the need promptly to inform the press about the decisions being made. For the first time in its existence the Security Council secretary (in person!) told journalists about the results of the session immediately after it was over. Judging by Oleg Lobov's words, Moscow regards the prospects for a Chechen settlement with optimism. Council members believe the situation in Chechnya will follow this scenario: During the transitional period a certain committee ("for national salvation or accord") will be created which will then form "a national chamber of authoritative representatives from towns and villages." At the final stage of "restoring constitutional legality," elections for representative local power bodies should be held which, according to Lobov, could take place as early as this year.

Changes in Chechnya will be accompanied—and this is already becoming a tradition—by further reshuffles in Moscow. The post of the president's representative in Chechnya, which is now occupied by Nikolay Yegorov, who is down with pneumonia, will be taken, according to Lobov, "by another person with the rank of vice premier." This description fits either Shakhray, who has taken part in all of the premier's recent moves on Chechnya (playing, as it were, the role of "the premier's representative in Chechnya"), or Vyacheslav Mikhaylov, Yegorov's first deputy, who will be promoted.

The council secretary himself will apparently head the commission which will study the causes and the course of the Chechen conflict beginning with 1991, including the "causes and the process" of the Security Council's recent decisions on Chechnya. It is clear what the president was guided by in inviting Lobov (so far orally) to head the new commission. The "president's commissar," as Lobov is respectfully called in the council apparatus, like no one else, can satisfy Yeltsin's demands for the guilty to be found. Especially since he has some experience along these lines: Lobov conducted an inquiry into the causes of "Black Tuesday." True, at the time Stepashin was Lobov's co-author of the final memo. Another aspect of the proposed appointment is the strengthening of the Security Council secretary's role, which indirectly confirms rumors about an upcoming redivision of spheres of influence in the power structures.

As for Yegorov, signs are that he will be the first victim of the Chechen campaign. Although Lobov said nothing about his removal from the post of head of the Nationalities Ministry, after Yegorov's relief from the duties of the president's representative in Chechnya, this would appear quite natural. It could be at least some consolation to Yegorov that the post of "Chechnya chief" does not seem to be promising easy glory—or any glory at all for that matter. Rather it recalls a banishment to the Caucasus from the first half of the 19th century.

The stated intention to transfer the Ministry of Internal Affairs forces into the first echelons of combat formations is unfeasible, for reasons both objective and subjective. The rebels are now retreating into the mountains to prepared positions, and interior troops have not been trained to fight there. According to some army officers, it was the unwillingness of the Ministry of Internal Affairs forces to carry out the tasks of "mopping up" areas captured by the army and establishing their posts there that became one reason for the failure of the military operation, including the New Year's storming of Groznyy. Incidentally, while complaining about their colleagues, the military points to the fact that the troops of the Ministry of Internal Affairs and the Emergency Situations Ministry are much better equipped with special facilities, communications means, and even combat

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hardware. In other words, Pavel Grachev, who has so far been no match for General Yermolov [19th century general in the Russian tsarist army who conquered the Northern Caucasus], is giving Viktor Yerin an opportunity to test his forces.

Lebed Views Repercussions of Conflict

BR2601132895 Paris LE FIGARO in French 26 Jan 95 p 5

[Interview with Russian General Aleksandr Lebed by Laure Mandeville in Tiraspol; date not given: "General Lebed: 'In Chechnya We Must Negotiate With Dudayev'"]

[FBIS Translated Excerpt] [Introductory passage omitted] [Mandeville] Why has Russia launched itself into a war in Chechnya?

[Lebed] This decision astounded me. On two previous occasions the Soviet Government had gotten involved in a war in mid-December. In both cases it was a resounding fiasco: In 1939 against Finland, and in 1979 against Afghanistan. We should have learned our lessons, mainly by remembering that Chechnya—like Afghanistan—is a Muslim country. How many times can we repeat the same mistakes and the same blunders.

[Mandeville] It is all the more surprising since Defense Minister Pavel Grachev fought in Afghanistan, like you.

[Lebed] Let us not talk about Grachev in particular. Wars have always been set off by politicians who sign orders committing human lives with breathtaking ease. They are well aware that neither them nor their children will have to fight. As defense minister, Grachev was only following orders. What he can be reproached for is not having the courage to oppose this senseless war.

[Mandeville] So Yeltsin is the one who is really responsible.

[Lebed] Yes.

[Mandeville] Are you afraid that the conflict will spread to the entire Caucasus?

[Lebed] In the Caucasus and elsewhere. Just think of that corridor of Muslim regions that follows the Volga up to Tatarstan. There is a risk of a Muslim axis forming that cuts right across Russia—an axis that is likely to extend further, via Azerbaijan, to Iran, Iraq, Turkey, and so on.

[Mandeville] The president of Chuvachya, a Muslim neighbor of Chechnya, said he would support conscripts from his republic who refuse to go to war. Is that not a first sign of decay?

[Lebed] As soon as action taken by the central government runs counter to common sense, centrifugal tendencies reappear. The Russian state must be shored up, so that the 132 minorities that comprise the federation will naturally come back into Russia's fold.

[Mandeville] In Chechnya, can the solution only be a political one?

[Lebed] Boris Yeltsin tolerated Dudayev's regime for more than three years. Now, we have suddenly woken up. Moscow is ruling out any political negotiation, and the use of economic sanctions. Military intervention has been decided and implemented with total incompetence. The Russian people, tricked by their government, do not know why they are fighting. On the other hand, the Chechens know that they are fighting for their homes, their families, and their historical territory.

[Mandeville] It is not just a matter of troop morale. Was the Army not up to the task?

[Lebed] There is a Russian proverb that goes: "Do not hurry and you will reach your goal." Anyone who wants to win a military victory has to think long and hard, and prepare in great detail. Remember the Gulf War. The Americans prepared for two and a half months. The war only lasted about 20 days. Of course, the Americans did not achieve all their objectives since Saddam Husayn is still there. However, from the military point of view, it was an impeccable action. The anti-Iraq coalition only suffered 200 deaths. Here, it is the opposite. The Army went to battle against the Chechens without the slightest preparation.

[Mandeville] How do you see events developing in Chechnya?

[Lebed] I am convinced that it is impossible to reestablish constitutional order merely with air and artillery support. History has always shown that the bloodiest wars have to end around the negotiating table. In Chechnya could we not skip the military stage and go directly to the negotiation stage?

[Mandeville] Do you support negotiations with Dudayev?

[Lebed] Yes. Before the war, many Chechens did not support him. But Russia's intervention has made him into a national hero. Today, even those people who were against Dudayev are fighting Russia.

[Mandeville] Will this conflict not put a stop to the democratization of Russia?

[Lebed] Russia is still an empire, and it has kept an imperial mentality. It is completely artificial to try to make us believe that, on the evening of the August 1991 coup, we fell asleep under totalitarianism, only to wake up the next morning under democracy. In actual fact we still have a very long way to go before we achieve democracy.

[Mandeville] Could the people run to Vladimir Zhirinovskiy, the ultranationalist?

[Lebed] At the December 1993 elections, 56 percent of the Army voted for Zhirinovskiy. I carried out my survey to learn this. Well, it turned out that the people were not

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so much voting for Zhirinovskiy as voting against the others. The state no longer exists. The only thing left is the desire to create shockwaves by voting for a clown.

[Mandeville] Could Zhirinovskiy take power?

[Lebed] Yes. The threat is real, because Russia loses a bit more of its common sense with every passing day. April 1995 will mark 10 years of perestroyka. The intentions were good, but the road to hell is paved with good intentions. The USSR disintegrated; now it is Russia's turn. The standard of living has collapsed. Here in Cisdnyestriya it is a nightmare. Pensions are about 5,500 rubles [R] and butter costs R17,000 per kilo on the market. This means that a "babushka" who has worked all her life receives a pension that is just enough to pay for 300 grams of butter. That is the result of perestroyka and democracy in Russia.

[Mandeville] What does democracy mean to you?

[Lebed] Democracy does not mean anything to me because I have never experienced democracy. In Russia 80 percent of the people are apathetic toward politics. They are interested in what is in the shops and how much it costs. If they can make ends meet then they will be happy, no matter who is in power: fascists, communists, or Martians.

[Mandeville] You represent hope among public opinion. Do you intend to make political capital out of this confidence?

[Lebed] I feel it is my duty as a citizen to get Russia back on the path of common sense. I am a foreigner to politics. If it does happen that I cross the line separating the Army and politics it will only be because circumstances have forced me to do so. Everything has become political here. The issue of housing is political, as is the budget problem. However, I am someone who likes to walk alone.

[Mandeville] In the past, the military used to say that a coup was impossible in Russia. Today it is no longer rejecting this possibility. What do you think of that?

[Lebed] In August 1991 they tried to trick the Army and draw it into a coup. I was the one who was asked, in my own country's capital, to take control of Russian soldiers and shoot at the people. I refused. In October 1993, the government nevertheless managed to drag in the Army, which, by its sheer strength, overcame the situation. Chechnya highlighted this position.

[Mandeville] Are you trying to say that the Army is ripe for a coup?

[Lebed] I am trying to say that anything can emerge from the ranks of this Army. There are now only two forces that can be used to bind Russia together: orthodoxy or nationalism. Only God knows which of these two roads will be chosen by society and the Army.

Lebed, Deputy Rule Out Use of 14th Army

LD2601162995 Moscow ITAR-TASS in English 1400 GMT 26 Jan 95

[By ITAR-TASS correspondent Valeriy Demidetskiy]

[FBIS Transcribed Text] Kishinev January 26 TASS—Colonel Aleksandr Baranov, deputy commander of the 14th Army of Russia stationed in the Dniester region, has refuted today's press reports that soldiers and officers of the army were allegedly preparing to be sent to the Chechen Republic.

In their publications some newspapers and agencies in Moldova and the Dniester region assert that "servicemen of the 14th Army, both in active service and those serving on contracts, are hastily legalizing their Russian citizenship because, as foreigners, they cannot serve in the Russian Army, and the more so, participate in maintaining constitutional order in Chechnya".

"These reports are groundless," Aleksandr Baranov stressed. "The situation in the Army is calm, and planned training is going on," he pointed out.

Aleksandr Lebed, commander of the 14th Army, stated definitely yesterday that "units of the 14th Army will not participate in the Chechen war, and mothers in the Dniester region should not worry about their sons".

Use of Inexperienced Marines Decried

LD2601191595

[FBIS Editorial Report] Moscow Ostankino Television First Channel Network in Russian at 2010 GMT on 20 January broadcasts a 20-minute edition of the "Vzglyad" program, a weekly current affairs program that is devoted entirely to Chechnya. It is presented by Aleksandr Lyubimov.

A report from Vladivostok shows Pacific Fleet marines assembling at an airfield to fly out to Chechnya. An unidentified correspondent asks a number of young marines if they are ready to "carry out a real combat task in Chechnya." As they each answered in turn "I am ready," an officer interrupted the soldiers contemptuously: "What do you mean? Who is ready? You are ready?" He then turned to the camera: "Listen, I am an officer, right? I am going on this plane now. But I will not go anywhere with these sailors. They do not know how to use a gun. None of these sailors do."

Pacific Fleet Commander Igor Khmelnov is then shown speaking from behind a desk in an office: "There was very little time. We joined the personnel of the mobile forces as marines at the start of January when we were set this task. [words indistinct] We trained for combat on the test range for a few days. The main task was to get them clothed and fed, to give them a medical examination and a briefing. That is how we sent them off, straight to Mozdok, in accordance with the order."

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Yevgeniy Zhovtoripenko, commander of an assault landing battalion [desantno-shturmovoy batalyon] of the Pacific Fleet says: "When they cover 50 or 100 meters—it depends on how strong they are—these boys begin to fall out of formation left, right, and center. These are boys who need their noses wiped. I am telling you the truth. Some of them cry because of the load they carry—their equipment and their weapon. They fall down and tell me: I cannot get up. Look, I am a decent man and I know where we are heading. Why should I keep quiet about this when these boys are going to die there? At the end of the day they won't even see combat. Yes, I realize that I have disobeyed orders, but from the moral point of view, I, generally speaking, believe that in this case it is easier to disobey a criminal order than to carry it out."

An unidentified correspondent then recalls over video of the arrests made after large sums of money destined for the North Caucasus had been confiscated at Moscow airports after the start of combat operations in Chechnya in December 1994. On 21 December, two persons booked onto a Makhachkala flight were arrested at Vnukovo airport. They were carrying $1 million in cash. On the same day, two other passengers, booked onto a Rostov-na-Donu flight, were also arrested. They were carrying $700,000 in cash. On 30 December, two security vans were intercepted at the same airport carrying 163 billion rubles destined for Makhachkala.

A report followed on how Dudayev had armed his supporters. Former Russian Chief Procurator Valentin Stepanov is shown describing how pro-Dudayev prisoners had taken control of a Chechen remand center, then freed convicts from a penal colony. Kochubey said that Dudayev, who was in contact with the prisoners, had assured them that he had the backing of the "Russian leadership." Stepanov then describes the armaments that had passed into Dudayev's hands: Several dozen fighter-bombers from a local Air Force academy, about 150 tanks, about 150 artillery pieces, and about 50,000 firearms.

Back in the studio Lyubimov says that a commercial bank in Moscow—which he did not name—was currently sending a minimum of $1 million in cash each month to each of its six branches in the Caucasus. "It is not possible to wage wars through non-cash transactions," he commented. He then adds: "Incidentally, money is being made not just at the front, but at the rear, too. Literally this week, we received leaked information that the Russian Agriculture Ministry is very keen to hand over the Army's sugar reserves to a French company for resale."

An interview follows with Lieutenant Colonel Yuriy Klaptsov, a Russian officer who had returned to Russia from imprisonment in the Presidential Palace in Groznyy after his capture on New Year's Day. Describing his experiences in the palace, Klaptsov says that the Chechens clearly had access to confidential army information: "When Chechen Chief of Staff Aslan Maskhadov was interrogating me, he asked me my call sign. I gave him my call sign. Then he said: look at this small book here. I took a look at it. It was a notebook printed on a duplicating machine that contained frequencies and call signs starting with the defense minister and probably ending with unit commanders. Many of the call signs had the officers' names written beside them. I saw the name of my own commanding officer in it and the name of the artillery commander in our unit. So I would say there probably was a leak."

Dudayev Says Chernomyrdin 'Neutral'

LD2701054595 Moscow Radiostantsiya Ekho Moskvy in Russian 0500 GMT 27 Jan 95

[FBIS Translated Text] Groznyy is not giving up its attempts to hold talks with Moscow. Here is Chechen media spokesman Movladi Udugov:

[Begin Udugov recording] President Dzhokhar Dudayev has instructed his aides to get in touch with Prime Minister Viktor Chernomyrdin's aides. President Dudayev regards Chernomyrdin as the most neutral figure in this whole conflict, in other words, as someone who doesn't have any personal points to score. He is the most sensible politician who assesses reality in a more realistic way than the others and he is capable of reacting to this reality in a more adequate way, unlike some other Russian politicians. [end recording]

Dudayev Promotes Groznyy Defense Chief

LD2601195995 Moscow INTERFAX in English 1712 GMT 26 Jan 95

[FBIS Transcribed Text] Groznyy, Jan 26 (INTERFAX)— Chechen leader Dzhokhar Dudayev has appointed Chief of the Chechen Armed Forces Main Headquarters, former colonel in the Soviet army, Aslan Maskhadov, as Division General [as received] "for successful organization of defense of Groznyy," head of the Chechen information service Movladi Udugov told Interfax today.

He said Dudayev had made the appropriate decree known after the meeting of the State Committee of Defense of Chechnya in Groznyy on January 25. Two Chechen commanders received the rank of Colonel.

Udugov said this had been the first meeting of the State Committee of Defense of Chechnya since the introduction of Russian troops into the republic. He said the meeting had taken place in a section of the headquarters of the Chechen Army several hundred meters away from the Presidential palace in Groznyy. He added that the closed meeting had lasted for six hours.

Udugov said several military documents had been approved at the meeting, the essence of which he did not know yet.

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Prospects for Mountain Warfare Viewed

MK2601132095 Moscow KOMMERSANT-DAILY in Russian 26 Jan 95 p 3

[Report by Konstantin Sorokin under the "War in Chechnya" rubric: "If a Soldier Fails in the Mountains..."]

[FBIS Translated Text] High-ranking Russian military leaders and even Sergey Stepashin, counterintelligence service chief, are tirelessly reiterating that combat operations in Chechnya will never evolve into a mountain war. The generals appear to be bending the truth, however, as they are nonetheless bracing themselves for this turn of events. An analytical memo on this subject drawn up by the General Staff has been obtained by KOMMERSANT-DAILY.

In the view of military analysts, despite the presence of a large number of servicemen who gained the experience of waging a mountain war in Afghanistan among the officer and general corps of the Russian Army, troops trained for operations on the plains will need at least three months of training for effective operations in the mountains given the region's unique conditions. The military possibly will have time for that, as even the foothills are blanketed with snow. The snow will not melt until in 1.5 or two months' time.

Experts also warn about the need to make adjustments to the troops' basic operational tactics in the mountains. An extended column (in the mountains, it will be five-six times longer than on the plains) will be unable to regroup even after it sights the enemy. As a result it will be caught in a cross-fire. This will increase the role of advance forces—they will have to take up an advantageous combat position, alert the main forces promptly, detect and destroy, if possible, enemy weapon positions, and also adjust air strikes, while holding position until the arrival of the main force. For the purpose of neutralizing mountain strongholds it was proposed to set up special assault groups made up of the best-trained soldiers. All this will require participation of special and elite units.

Experts suggest that the effectiveness of artillery fire will decline for some time: since it will be impossible to set up a fire position even for one battery, fire will have to be delivered from various positions. In addition, it will be difficult quickly to get used to temperature and pressure fluctuations during the day to adjust calculations. The use of chemical agents cannot be ruled out either—low pressure makes for the effectiveness of so-called gas swamps.

Soldiers' clothing should not limit their movements; it should be warm, but light. High boots will not do in the mountains, so the entire Chechen contingent will have to change into warm, tough boots. Yesterday, the Defense Ministry's rear service demonstrated servicemen's boots with metal spikes and picks. The question is to what extent units to be used in the mountains will be equipped with them—and how much this reequipment will cost.

Former mistakes in psychological training have also been taken into account. Deputy commanders for educational work were instructed to give servicemen information on local customs and traditions. Even what a Russian may consider to be a minor insult might become a deadly one in the Caucasus. The Army was advised to count only on its own forces and not to trust even the most friendly disposed mountain residents. Commanders were not recommended to resort to the services of local guides or receive any other assistance from mountain residents. It should also be recalled that AWOLs and movements in small groups, as the Afghan experience showed, may cause heavy losses. On the whole, experts urge servicemen to forget that Chechnya is part of Russia. They remind them that guerrillas may be lurking, awaiting an auspicious occasion for attack. To counter them, utmost concentration, unceasing readiness to face up to danger, and increased attention will be indispensable.

It is not clear to what extent the experts' recommendations will be heeded. What is clear, however, is that the war in Chechnya is irreversibly turning into prolonged warfare. Yesterday, a Defense Ministry officer who returned from the combat area expressed his assurance in a conversation with your KOMMERSANT-DAILY correspondent that it would be much easier to operate in the mountains against combat-battered Chechen fighters, who lack aviation and are running out of ammunition. It should be recalled, however, that back in November Pavel Grachev promised to seize Groznyy in two hours with one regiment. Finally, it is completely unclear how Internal Affairs Ministry units could fight in the mountains, for under yesterday's Security Council decision the functions of bringing order are to be turned over to them.

Chechens Free 34 Russian 'Commandos'

LD2601174195 Moscow ITAR-TASS in English 1651 GMT 26 Jan 95

[By ITAR-TASS correspondent]

[FBIS Transcribed Text] Moscow January 26 TASS—The Russian Counterintelligence Service succeeded on Thursday to free 34 commandos seized by Chechen militants. They were all handed over to the command of their Spetsnaz force in Mozdok in North Ossetia where the Russian operation in Chechnya is orchestrated.

The Counterintelligence Service in Chechnya, which is headed by Colonel Grigoriy Khoperskov, told TASS that only one wounded commando remained in the hands of Chechen militants and talks are underway to free him.

Earlier the Counterintelligence Service freed over 20 Russian soldiers and officers.

200 Russians Reportedly Held Near Shali

LD2601144295 Moscow 2x2 Television in Russian 1400 GMT 26 Jan 95

[FBIS Translated Text] According to reports from Chechnya, Russian troops in Groznyy are continuing to

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regroup, and fresh reinforcements are arriving. There have so far been no reports of more clashes.

It was reported earlier today by the Russian Government press service that despite successes scored by the federal troops, militants from the illegal armed formations continue to put up resistance in Groznyy, retreating to positions prepared in advance.

Areas of deployment of the disorganized militant units are known, the report notes, and operations are currently underway to have them eliminated.

A report by the federal troops command says that during the past 24 hours, troops continued combat operations to clear the areas on the left bank of the Sunzha River, and to seize Groznyy's northwestern part, repelling attacks by groups of militants.

According to the military, the militants are forcibly detaining approximately 200 Russians near the town of Shali, intending to use them as a live shield.

MVD Official Says Chechens Better Prepared

LD2601140695 Moscow ITAR-TASS in English 1340 GMT 26 Jan 95

[By ITAR-TASS correspondent Yelena Gorelova]

[FBIS Transcribed Text] Moscow January 26 TASS—"Dudayevans were prepared for combat thoroughly and far more seriously than our military," Major-General Boris Baturin, deputy chief of the Organised Crime Directorate, told a briefing in the Russian Interior Ministry today.

"The people we encountered are professionals, they have been preparing to fight for three years, they are a far cry from the image depicted in mass media—the image of partisans or militia who are armed with what is at hand," Baturin said.

Interior Ministry chiefs and troopers of special operations units (spetsnaz) told reporters the story of the Chechen war. Ministry officials said that in terms of propaganda this war was lost to Dudayev. Chechen information channels were well organised and helped create several myths on the Chechen war, the briefing was told.

According to the Interior Ministry, more than 1,200 Chechen criminals are now on its wanted list. Experts reckon the actual figure may be quite different from the official statistics.

Groznyy Militia Chief on Origin of Arms

MM2601161195 Moscow KOMSOMOLSKAYA PRAVDA in Russian 26 Jan 95 p 1

[Interview with Sergey Ayupov, deputy commander of the Groznyy Special-Purpose Militia Detachment, by Mikhail Mishin; place and date not given: "The Order Came from Moscow. Sergey Ayupov, Deputy Commander of the Groznyy Special-Purpose Militia Detachment, Tells How Russian Weapons Proliferated in Chechnya"]

[FBIS Translated Text] [Ayupov] There were attempts to capture Russian military compounds in Chechnya as long ago as 2 February 1992. The Chechnya Internal Affairs Ministry failed to take the necessary measures.

On 8 February a total of 12 Groznyy special militiamen were sent to guard the 15th Military Compound on Prospekt Lenina. I commanded the group myself. We knew that the unit was being attacked by hundreds of people, who were trying to drive trucks into the compound. All we had was shields, nightsticks, and standard-issue pistols.

[Mishin] What sort of people were in the crowd, and who was organizing them?

[Ayupov] Local people, Chechens, in the main. But we could see that the crowd was being incited by people associated with Dudayev's Internal Affairs Ministry. They were providing an already excited crowd with drugs.

[Mishin] Could the capture of the armaments have been prevented?

[Ayupov] I believe it could. In the first place, the approach roads to the buildings where the weapons were stored were mined. Second, even after some of the Russian servicemen had been sent back to Russia, there were enough forces left in Chechnya to hold the depots and then bring the weapons out.

[Mishin] What happened, then, and why did the armaments end up in the hands of looters?

[Ayupov] I was approached by a Russian commander, a colonel, who told me that an order had come from Moscow to quit Chechnya immediately, leaving the weapons and equipment behind. He asked me to help the remaining officers and men to get to the railroad station.

[Mishin] So the Russian soldiers slunk out without their weapons, abandoning everything?

[Ayupov] They did not even take their handguns. A lieutenant colonel gave his standard-issue pistol to a special militiaman. The new owner is still using the pistol in Chechnya.

[Mishin] What about Marshal Shaposhnikov's and other military people's suggestions that the weapons were shared 50-50—half taken out and half left for Dudayev?

[Ayupov] All the armaments, not only in the 15th Compound, but in all the other depots, were left behind. The Russian forces took nothing out.

[Mishin] After the military left, did you stop guarding the military compound?

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[Ayupov] No, we kept the looters at bay for a while. But then some armed people from the "Dudayev Guard" arrived, accompanied by a battalion of Abkhaz, and said that they had an order stating that all military units on the territory of Chechnya would now be under Dudayev's command.

[Mishin] Where do you think the weapons went then?

[Ayupov] They were sold to Abkhazia and other trouble spots and some went to equip Dudayev's army—the one Moscow now calls "bandit formations." And the Chechens who had been incited to capture the military compounds did not know that "dealers" had made big money out of these weapons. The people thought that they were arming themselves and the Chechen army. The weapons were then sold freely on Groznyy's central square. At first we tried to confiscate the weapons from the traders by carrying out raids. But the ministry banned us from doing that. Officials from the Groznyy Internal Affairs Ministry were themselves trading in weapons in the markets. And after special militiamen in Groznyy arrested Dudayev's son and his friends for firing guns in the city, our detachment was effectively outlawed.

Arms Said Bought in Maritime Kray in 1992

MK2601125095 Moscow SEGODNYA in Russian 26 Jan 95 p 3

[Report by Oleg Kryuchek under the "Business" rubric: "In 1992 Dzhokhar Dudayev Bought in Maritime Kray a 'Grad,' With Strings Attached. In Air Defense Staff They Propose Trading in Arms Via Army Commercial Centers"]

[FBIS Translated Text] On orders from President Dudayev, military emissaries from the Chechen Republic purchased a "Grad" salvo-fire system from a classified military base in Khabarovsk Kray on 26 January 1992. The system was bought for 1.5 million rubles in cash and shipped from Khabarovsk Kray as scrap. The string attached was that the Chechens were also sold several hundred pairs of canvas boots that spent a long time on the shelf, and third-category clothing [inferior quality].

The NCO's and quartermasters who pulled the deal were fired, and military unit number 73746, which owned the "Grad" system sold to Chechens, was disbanded. The 1.5 million rubles pocketed by the dealers could not be traced by the military counterintelligence service at that time. As was stated in the Far East Military District staff, the Chechnya representatives wanted to buy with the same sum three or four "Grad" systems but the enterprising NCO's- quartermasters agreed to sell only one piece of combat equipment, persuading the Chechens in some way additionally to buy the boots and clothing.

Commenting on the situation, people in the Air Defense Staff added that "it's high time that Moscow generals stop sleeping" and urgently start trading in arms via army commercial outlets.

Roundtable on Media Reporting Held

MK2601144095 Moscow SEGODNYA in Russian 26 Jan 95 p 3

[Report by Lev Aleynik in the "Media" column: "Journalists and Representatives of Power Structures Have Had a Talk. The Ministry of Internal Affairs Public Relations Center Chief Admitted That There Have Been Insufficient Contacts With the Press"]

[FBIS Translated Text] The 24 January roundtable organized by the Russian and the Moscow Journalists' Unions and the In Defense of Glasnost Foundation was devoted to limitations on the activity of journalists who have worked in Chechnya. Representatives of the Defense Ministry, the Federal Counterintelligence Service, the Russian Federation Government Press Service, the Emergency Situations Ministry, and State Duma deputies took part.

Russia has no law regulating the work of journalists in war, and therefore media representatives believe "the military talks to them from a position of force, believing that it has the right to allow or not to allow journalists to work." Ministry of Internal Affairs officials invoke Article 29 of the Russian Federation Law "On the Interior Troops of the Russian Federation Ministry of Internal Affairs," which was adopted in 1992 and violates the Russian Federation Constitution.

Many roundtable participants countered the rebukes that "the events in Chechnya have been covered only from the Dudayev side" with accusations against the power structures' leadership of "a deliberate, unprecedented restriction of access" for correspondents to Russian military units. This may not be the last war the journalists will have to work in, Aleksey Simonov, Glasnost Defense Foundation chairman, said, and "a legal mechanism needs to be created so that society receives reliable information" about the parties at war.

Vladimir Vorozhtsov, Ministry of Internal Affairs Public Relations Center chief, admitted that "Russian society is in a tragic situation" owing to "a shortage of truth about what has been going on in interior and Special-Purpose Militia Detachment (OMON) troops in Chechnya," and described as "a general misfortune the fact that the Russian side, unlike the Chechen side, has failed to provide journalists conditions for normal work."

Vladimir Grishin, deputy chief of the Russian Federation Government Press Service, said that he "does not accept the criticism" for misinforming society because his department is trying "in deed to ensure secure work conditions for journalists—then we have the right to expect the truth." Even so, he agreed with media representatives' arguments about the impossibility of further concealing the reasons for the army's defeat inflicted by the insurgents.

Nobody in the Russian press "is accusing officers and men who, at the will of the top authorities, are fulfilling

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their duty," said Sergey Yushenkov, State Duma Defense Committee chairman, "but the fact that there is no legal basis for this undeclared war, which contradicts international conventions, cannot be explained to the soldier—just as it is impossible to explain that to carry out a criminal order is also a crime." The deputy stated that "all the declared objectives of this war are unfeasible," and, in affirmation of the fact that "an option for canceling elections is being prepared at the top," cited a phrase he heard from Oleg Lobov, Russian Federation Security Council secretary, back on 29 November: "This will be a little, victorious war: It is needed to boost the president's rating."

"The army is once again correcting the politicians' mistakes," believes Vladimir Nikanorov, deputy chief of the Russian Federation Defense Ministry Press Service, who reported several groups of journalists being taken to front-line troop positions in Chechnya. He also spoke about the procedure of legalizing documents "with no arbitrariness" for reporters to be able to work in combat action zones.

Ecological Impact of War Assessed

MM2601113995 Moscow ROSSIYSKIYE VESTI in Russian 25 Jan 95 p 2

[Article by Aleksey Yablokov, corresponding member of the Russian Academy of Sciences, and Candidate of Chemical Sciences Svetlana Revina: "Dudayev's Regime Threatened Ecological Warfare"]

[FBIS Translated Text] No one can be left indifferent by the tragedy that has hit Chechnya. The time has now come to begin repairing the damage, and in this connection we wish to draw attention to the ecological problems of this republic.

The extremely difficult ecological conditions in Chechen-Ingushetia date back to the Soviet period. The majority of major industrial enterprises became technically obsolete long ago. One oil refinery in Groznyy is over 100 years old—almost the oldest oil-refining enterprise on Russian territory.

Only recently all the oil refineries in Chechnya processed up to 20 million tonnes of oil per year, and relentlessly polluted the air and soil around them. It is well known that Groznyy has for many years been among the Russian cities with the highest level of air pollution.

Chechnya was also one of the country's most unsuccessful regions in terms of recycling industrial and domestic waste; at the present time there are evidently more than 1 million tonnes of industrial and domestic waste lying at makeshift dump sites. There is on this territory not a single site equipped for burying waste. It is to a large extent precisely because of ecological factors that the level of infant mortality here has been almost double the average for Russia as a whole, and in the past three years almost the highest in the world.

With Dudayev's seizure of power in 1991 the already not particularly well-developed system for monitoring the state of the environment and public health—the sanitary and epidemiological services and the ecological, mine engineering, forestry, hunting, and water services—began to collapse, and by the beginning of 1994 all these organs had ceased to exist in Chechnya. However, the same had happened to many other structures of state power. In terms of the level of state administration Chechnya found itself back in the Middle Ages.

There is convincing information to suggest that the Dudayev regime was prepared to turn the Groznyy region into an ecological disaster zone. Facilities at major plants in Groznyy were mined. And explosive and combustible oil-refining and petrochemical industry enterprises are located here on the small territory of Zavodskiy Rayon. It is known that the territory of the Ansimov Oil and Gas Industry Plant, Groznyy's Lenin Oil Refinery, and the experimental industrial test site is steeped in petroleum products to a depth of up to 12 meters as a result of leakage over many years! It would be very difficult to extinguish a fire in these polluted areas, and indeed such a fire could spread not only along the ground but also underground, along the underground power engineering infrastructure. Let us add that the industrial zone's dumps contain many thousand of tonnes of toxic industrial waste. If this caught fire, the atmosphere not only of the city but also that of remote suburbs would be poisoned by the toxic products of combustion.

The Chechen gunmen also threatened to mine the dam of the Chernorechenskoye resevoir, in which the level of water is 38 meters higher than downtown Groznyy. If the dam were to be blown up, a tidal wave of water and stones would descend on a considerable part of the city, sweeping away everything in its path.

Chechen territory contains the regional burial ground for radioactive waste. In addition, as throughout the Northern Caucasus, there are old livestock burial grounds here, where anthrax pathogens have been preserved for many decades. So far the worst has not happened, and we hope that everyone has sufficient wisdom not to allow it to happen.

It can now be said that, from the first days of the escalation of the armed conflict, all these potential ecological dangers have been seriously discussed in the Security Council, the Ministry for Affairs of Civil Defense, Emergency Situations, and Elimination of Natural Disasters, the Russian Federal Service for Hydrometeorology and Environmental Monitoring, and other departments. It is to a significant degree thanks to this that it has been possible to keep the ecological situation under control.

All these regional ecological peculiarities must be considered when restoring the life and economy that have been so disrupted. One of the most urgent tasks right now is to get the sanitary and epidemiological service

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working again: There is a great danger of the spread of infections and parasitic diseases. This problem is already being tackled. The work of the local departments of the Roskomvod [precise expansion unknown—possibly, Russian Committee for Water Resources] and the Russian Federation Committee for Land Resources and Land Management is being organized, hydrometeorological and environmental monitoring is being resumed, and reforestation work (on which the quality of water, and therefore public health health as well, to a large extent depends) will be undertaken. All the federal structures are currently elaborating their own plans on how to help restore the Chechen economy quickly and effectively. It will be more difficult to heal the psychological wounds and alleviate the pain of losses....

The Chechen drama has shattered the mutual understanding which had formed among Chechens, Russians, and other inhabitants of this part of the Northern Caucasus. This mutual understanding will inevitably and surely be restored; it will come about through reflecting on and reassessing today's tragic events.

What ideas of national revival can possibly justify the mass oppression of Russians who have lived in Chechnya for generations? It is impossible to read without distress the stories, some of which are related in ROSSIYSKAYA GAZETA's "White Paper" section on Chechnya, of Russian families thrown out of houses and apartments onto the street, of the violence and insolence to which they are subjected. Yes, there are a number of examples of the direct opposite, of Russians trapped in the zone of combat actions being rescued by Chechens. But if this had been the general treatment of Russian civilians, why were 150,000 (!) Russians forced to flee from Chechnya upon Dudayev's coming to power? And we cannot understand why the voice of our human rights defenders is not being heard right now in defense of the right to life of these thousands upon thousands of outcasts wandering Russia's expanses.

There are also questions for some of our democratic leaders. How can the imposition of order (albeit carried out with tragic ineptitude) on what is, after all, Russian territory, be called Russian "aggression"? We cannot understand how a Russian democratic politician can say that the bombing of Groznyy could be followed by the bombing of Warsaw, thereby comparing Chechnya's status with regard to Russia with that of Poland's. Not one foreign politician has ventured to recognize Chechnya as an autonomous state. But another of our democratic leaders, speaking publicly about Chechnya, stated that the USSR "split de facto into 16 autonomous pieces," thereby comparing Chechnya's status with regard to Russia with that of, say, Ukraine or Estonia. Did not this historically naive—or even, to put it better, erroneous—political position disseminated by the mass media—and on Chechen territory too—exacerbate the massive violations of human rights at the very beginning of the military operations?

Chechnya's grief is great, but the pain of the rest of Russia is no less. History and time will put everything in its proper place. We grieve for the dead. And for those who allowed themselves to be poisoned by the venom of nationalism, and for those who in the performance of their duty find themselves there not of their own volition, and for the accidental victims of this tragedy.... We hope that today everyone has sufficient willpower not to compound this evil.

Regent Comments on Refugee Problems

MM2601143995 Moscow KRASNAYA ZVEZDA in Russian 26 Jan 95 p 3

[Report by Yuriy Gladkevich: "Chechnya Refugees Numbering 142,000 Need Shelter, Food, and the State's Concern"]

[FBIS Translated Text] Tatyana Regent, leader of the Russian Migration Service, has returned from a week-long trip to the Chechen conflict zone. During a news conference on her return she assessed the problem of refugees from Chechnya as extremely acute.

Tatyana Regent said that in just over a month the number of refugees from Chechnya registered by the Migration Service has risen to 142,000 (for comparison's sake: In two years the number of people forced to return from Tajikistan totaled 156,000). They all need the most essential things—shelter, if only at first, adequate food, and warm clothing.... On the agenda right now are highly urgent tasks without whose resolution it is impossible to guarantee people's lives and health.

These urgent tasks are now being performed by everyone with at least some forces in the war-ravaged region. Refugees from Groznyy and Chechnya's rural regions are being brought out to Vladikavkaz, Mozdok, and Nazran by motorized transport provided by the Ministry for Affairs of Civil Defense, Emergency Situations, and Elimination of Natural Disasters, transport leased by the Chechen Republic Migration Service based in Tolstoy-Yurt, and automobiles provided by the Defense Ministry (the [accompanying] photograph shows a soldier who brought out a group of refugees from central Groznyy under fire; he could not count the number of bullet holes later) and the Russian Federation MVD [Ministry of Internal Affairs] Internal Troops. Refugees register here and receive material aid—20,500 rubles [R] per person, two free meals a day, and temporary shelter. Children who have lost ther parents are given special attention: A children's home has been equipped for them in Mozdok. Those wanting to go to other parts of Russia are given free passage to any part of the country and money for food.

As Tatyana Regent said, it is extremely hard for the Migration Service to provide refugees with material aid. The government has allocated R30.6 billion for the refugee problem and there is a constant stream of humanitarian aid from Russia and international organizations, but this is not enough....

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When asked by your correspondent what kind of help the Russian Army is providing for Chechnya's civilians, Tatyana Regent voiced considerable gratitude to the military. Instances of women and children arriving at refugee reception centers virtually in full military uniform are well known—our soldiers and officers provided them for the naked and barefoot people whom they were enabling to escape the bombardment. And residents of Groznyy who cannot as yet leave the city are relying solely on the military—the military are feeding them with their own rations, delivering water to basements, and military medics are treating the sick and wounded.

Tatyana Mikhaylovna also said kind words about the administration heads of many of Russia's regions—Arkhangelsk, Samara, Volgograd, and other oblasts—who have expressed a desire to receive refugees and accommodate them. Arkhangelsk, for instance, is already preparing to receive at least 200 people and is willing to provide them with all manner of assistance. The renowned General Babichev reached an agreement with the Pskov Oblast authorities and, as Tatyana Regent said, has undertaken to help send around 60 people straight there from the combat zone.

By and large, Tatyana Regent believes, the Migration Service's greatest difficulties lie ahead. After all, temporary shelter and charity meals is no life. Amenities still need to be provided at colossal expense.

Moscow Hampering Humanitarian Aid Efforts

MK2501140095 Moscow MOSKOVSKIYE NOVOSTI in Russian, No. 5, 22-29 Jan 95 (Signed to press 24 Jan) p 12

[Irina Lagunina report: "The Red Cross' Ordeals in Chechnya"]

[FBIS Translated Text] The difficulties encountered by international organizations that are rendering assistance to Chechnya indicate that Russia's conduct in the area of humanitarian law no longer differs in any way from the USSR policy of the stagnation era.

The greatest achievement of the perestroyka-era policy in the sphere of humanitarian law was the USSR's ratification of additional protocols to the 1949 Geneva Conventions and the beginning of joint work with the International Committee of the Red Cross in conflict areas. The Defense Ministry at the time at last published international documents regulating the way the Armed Forces are to behave in war, and made their study obligatory in the army.

It appears, however, that in Chechnya all the humanitarian "accomplishments" by Soviet-Russian democracy are being gradually discarded. It is enough to enumerate all those violations of international documents and universally accepted norms which are being perpetrated by the Russian authorities.

The Red Cross was given unhindered access to the conflict area. The convoys of goods (mainly medical supplies) which the Red Cross managed quickly to ship to Chechnya from Georgia and Azerbaijan, however, stood motionless for a long time after the borders were closed. Today the convoys have been let through, but humanitarian assistance has to go through customs twice: on the border with Chechnya and on entering the conflict zone. And such "trifles" are plenty.

The greatest violation of international norms, however, is being committed by the Russian command with respect to prisoners of war. To date the Red Cross has not been allowed to meet with a single Chechen prisoner captured by Federal Army units. The Chechen side has turned over 10 prisoners of war to the Red Cross. As a result, the prisoners were registered (which usually gives them a chance of staying alive), and they can now keep in touch with their relatives by correspondence.

The fact that the Russian command does not allow any meetings with prisoners suggests two versions: Either the prisoners are in such a condition that they cannot be shown to international representatives, or Russian units are taking no prisoners in the first place. Either contradicts the Third Geneva Convention of 1949.

True, sometimes the Russian military states that what is under way in Chechnya is not a war but a police operation. The Third Geneva Convention, however, does not talk about a declared war. It talks about an armed conflict, and Article 3 of the Convention even specifies the norms of conduct for the warring sides in non- international conflicts...

Another official organization—the Office of the UN High Commissioner for Refugees—is being confronted with even greater difficulties. On 27 December the Russian Government officially asked the United Nations to provide humanitarian assistance to the population of Chechnya. On 29 December General Secretary Butrus-Ghali gave the go-ahead to the aid program—an unprecedentedly quick reaction by UN bureaucratic standards. Then the delegation had to wait a week for a Russian visa in order to arrive in Moscow. The visa delay was attributed to New Year festivities. It was finally granted, but not freedom of movement. The Russian Ministry of Foreign Affairs explains this by the fact that in a conflict area it is up to the military command to decide where humanitarian workers may not appear for considerations of security. The High Commissioner's officers were astounded by this argument: As is known, this organization works in all "hot spots" of the world, including in Sarajevo over the last two years....

Yet humanitarian workers were not allowed to go farther than Vladikavkaz, while some were expressly banned from going to Nazran. UN officers managed to make only two expeditions to Ingushetia, after which they were allowed to move only to escort humanitarian convoys. For a convoy to pass, additional permission had to be

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asked. It was not allowed to mount radio stations on the vehicles, which makes movement in the area even more problematic. Of the 80 tonnes of freight which the UN High Commissioner's Office has already shipped to Vladikavkaz (blankets, medical supplies, field kitchen, goods for infants, and small wood stoves) the greater part has never been delivered to the population. Now the United Nations is to draw up an assistance program, i.e., to define the requisite goods and make budget estimates. High Commissioner officers admit that under such conditions where they are not allowed to study the situation on the spot, they cannot work out a program.

People in the High Commissioner's Office are wondering why the Russian Government has invited them in the first place. Is bureaucracy the problem? Apparently not. The power structures have demonstrated such conduct in the past not just once. It is dictated by the familiar logic when any reproaches over breaches of humanitarian law were perceived as interference in "internal affairs," as an encroachment on the political system and the power establishment.

Caucasus Peace Meeting Fails To Take Place

954F1029A Nalchik SEVERNYY KAVKAZ in Russian No 3, 21 Jan 95 p 5

[Article by D. Sabchenko: "Moloch Does Its Work"]

[FBIS Translated Text] On 9 January in Pyatigorsk there was supposed to have been a peace-making roundtable meeting of representatives of various denominations and a number of social movements of the Northern Caucasus. This meeting was announced as though it were a large operation for switching from a policy of force to negotiations in the establishment of accord and mutual understanding between the opposing parties. R. Abdulatipov came to Kavminvody to participate in the conference. But suddenly he flew to Abkhazia.

Even before 0900 on the scheduled day of the meeting Russian radio regularly reported that this influential forum would begin its work. But after 0900 suddenly there was a report that "the conference is being canceled without explanation of the reasons." It is difficult to understand who was supposed to explain these reasons.

Metropolitan of Stavropol and Vladikavkaz Gedeon sent to Patriarch of Moscow and All Russia Aleksiy II a message which says, in particular: "Christians and Muslims wanted and hoped for it very much as something necessary and crucial. After all, people are dying and blood is being spilled during the celebration of Christmas. May God judge those who stopped the conference. Enough blood has been spilled. Moloch has done its work."

Indeed, great hopes were placed in this meeting. Delegations had already begun to gather in Pyatigorsk beforehand—they were not even warned about the cancellation of the forum.

Disturbed by the state of affairs in the Caucasus, Metropolitan Gedeon on 15 January held a meeting of representatives of the various denominations in Kislovodsk. "We invited both Christians and Muslims to this meeting," the Metropolitan said. "And although for some reason our Muslim brothers did not come, I have every reason to state that they support my initiative; the text of my speech for the conference of religious leaders of the Caucasus that was scheduled for 9 January but did not take place was approved by the Sheik of Azerbaijan and the Muftahs of Karachayevo-Cherkessia, Dagestan, Kabardino-Balkaria, Ingushetia...."

In the Northern Caucasus they recall those "roundtables" in Pyatigorsk that were conducted by S. Shakhray and R. Abdulatipov. At that time—two or three years ago—they did not produce any appreciable improvement because their resolutions were left hanging in the air. But they—and nobody can deny this—eased the political climate that had developed from both sides—Moscow and Groznyy.

Today the peacemakers are willing and able to act as servants of God, whose main commandment is "thou shalt not kill." Life is a sacred gift from God and nobody has the right to take God's gift from another. Is this not the most humane basis for beginning negotiations among politicians regardless of how far they may have fallen into the contradiction?

The Metropolitan was forced to state with bitterness: "The blood of the dead lies on those who approve and provoke this senseless bloodletting...this has already happened in Moscow, Azerbaijan, Georgia, and Abkhazia, they tried to do it in Kabardino-Balkaria, and everywhere there is the same signature...."

On behalf of the council of the clergy and laymen of the Stavropol and Baku eparchies the Metropolitan demands that the government and military of the Caucasus introduce a moratorium on all military actions in the Caucasus if only until the day of the Victory.

Chechen Envoys to Moscow Return to Nazran

954F1029B Nalchik SEVERNYY KAVKAZ in Russian No 3, 21 Jan 95 p 5

[Article by K.A.: "Usman Imayev: 'The War Will Last Until a Victorious End'"]

[FBIS Translated Text] Nazran-Assinovskaya-Achkhoy-Martan—Members of the Government of the Chechen Republic—Minister of Finance and Economics Taymaz Abubakarov and Minister of Justice and General Procurator Usman Imayev—returning from Moscow after negotiations with the chairman of the Government of Russia, stopped in Nazran. On the evening of 16 January they made a statement for journalists. In Abubakarov's words, with the mediation of Ruslan Aushev, an agreement was reached with Chernomyrdin concerning a meeting with the Chechen delegation. In Moscow the delegation from Chechnya held

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consultations with the first deputy minister for affairs of nationalities and regional policy, Vyacheslav Mikhaylov, and Deputy Prime Minister Sergey Shakhray. Of the entire range of issues they selected the military aspect or, more precisely, the conditions for halting the bloodletting. The meeting with Chernomyrdin, which was attended by Shakhray and Mikhaylov, lasted 40 minutes. A basic agreement was reached: To stop the bloodshed on the basis of halting the bombing and volleys of gunfire. The delegation from Chechnya asked that they appoint a representative of the command of the Russian army with whom they could work locally. The candidacy of General Kvashnin did not suit the delegation from Chechnya since the general is in Mozdok and it would be hard to get in touch with him. The prime minister instructed Mikhaylov to find a person with whom it would be easier to arrange contacts. It was suggested that they work together in Nazran. When the delegation from Chechnya arrived in Nazran on 18 January, Vice President of the Republic of Ingushetia Boris Agapov announced that he had received a phone call from Mikhaylov in Moscow, and in the telephone conversation the name of General Rokhlin was given without explaining what kind of authority Rokhlin would have. In Abubakarov's words, during all the time since the evening of 18 January he had not managed to make contact with Rokhlin. It was reported from Mozdok that they did not have information about his location. The attempt to make contact with Mikhaylov did not succeed either. A couple of minutes before the meeting with the journalists, Abubakarov reported, he had had the following conversation with Mikhaylov.

Mikhaylov: "You asked me to give you the name of a general?"

Abubakarov: "Yes, I asked to resolve concrete issues with him."

Mikhaylov: "Look for this general, if you wish, in Groznyy. His name is Rokhlin."

In this connection, Abubakarov reported to journalists that the Chechen working delegation had done everything possible to carry out the agreements that had been reached. Practically no steps had been taken by the Russians.

Usman Imayev reported to journalists that disarmament would have been possible if the opposing sides had called a cease-fire and moved military formations to the previously stipulated locations. They had reached agreement with the field commanders on this. They were expecting from Nazran a report from the military command of the Russian forces of a cease-fire from heavy types of arms. But the leadership of Russia made a statement that there would be no negotiations with Dudayev. From all this, in Imayev's opinion, it follows that the war will last until a victorious end. According to Imayev's information, at the very time when the delegation from Chechnya was sitting in Nazran waiting for contact with the military, the minister of defense, Pavel Grachev, was in Moscow holding a conference with all the powerful leaders and the leaders of military forces who were engaged in a conflict: They were preparing to storm Groznyy once again.

* * *

Representatives of Chechnya—U. Imayev, general procurator, A. Maskhadov, chief of the main staff, and T. Abubakarov, minister of economics—on the evening of 19 January were in Nazran again. They said that their repeated attempts to make contact with Generals Babichev and Rokhlin were unsuccessful. The generals were authorized by Moscow to call a cease-fire only under these conditions: The Chechen side would lay down its arms and raise a white flag and put itself at the disposal of the Russian troops.

Representatives of the ChRI [Chechen Republic of Ichkeria] came to Nazran to try from here again to make contact with the authorized general and the staff of the troops in Mozdok. But at that end it was explained to them that Babichev and Rokhlin were in Groznyy with the Russian troops.

The chief of the general staff of the armed forces of the ChRI, A. Maskhadov, announced in Nazran that all day on 19 January Groznyy had been subjected to continuous gunfire from all kinds of weapons. There were missile-bomb attacks on the presidential palace. The use of special concrete-piercing bombs made it possible to break through the walls on all floors of the palace, including the basements and the bunker. The bunker was rendered completely unusable and therefore the command point of the Chechen forces was moved to another place one kilometer away from the palace. Maskhadov refused to speak about the fate of the wounded, captives, and peaceful residents who had been in the basements, explaining this by the fact that nothing was known about the fate of the Chechen captives.

On that same day the delegation returned to Groznyy, stating before they left that it would hardly be possible for them to return to Nazran again. A. Maskhadov noted also that the seizure of the presidential palace by Russian forces would not mean an end to the war. Speaking about the flag of the Russian Federation raised over the building, the chief of the general staff said that "there is nothing to raise it over, only ruins."

Yeltsin Praises Lipetsk Leaders During Visit

LD2601175895 Moscow ITAR-TASS in English 1535 GMT 26 Jan 95

[By ITAR-TASS correspondents Nikolay Zagnoyko and Andrey Shtorkh]

[FBIS Transcribed Text] Lipetsk January 26 TASS—Russian President Boris Yeltsin was impressed with his Thursday's visit to the Novolipetsk metallurgical combined works.

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The combined works turns out high-quality metal, which is in much demand both in Russia and abroad, and "exert substantial efforts in the field of social welfare development", Yeltsin told an improvised press conference at the end of his visit.

Yeltsin managed to talk with the workers. They were "rather satisfied with their life", he commented. At the same time, the Russian president noted that intellectuals "found themselves in a more difficult situation".

"We must take this fact into account in the future, when we determine priorities in the social policy of the state," he added.

Yeltsin described the Lipetsk region as "a powerful, independent region. (Its) leaders do not camp on the doorsteps of the Moscow-based bureaucrats—they try to look for reserves independently and use them effectively".

Kremlin Official Comments on Power-Sharing Accords

LD2601194495 Moscow INTERFAX in English 1712 GMT 26 Jan 95

[FBIS Transcribed Text] Kurgan (Urals), Jan 26 (INTERFAX-EURO-ASIA)—As soon as the federal law on power-sharing between the center and regions is adopted there will be no further need for concluding treaties between the federation and its constituent members, said Deputy Kremlin Chief of Staff Vyacheslav Volkov.

Volkov took part in a meeting of the Association of Economic Interaction of Ural Regions in Kurgan.

Volkov said in an interview with Interfax that after the federal law is adopted "a normal mechanism of a federative state" will begin functioning. He added that a draft of the law had already been worked out and would be submitted by the government to the State Duma for consideration.

Volkov said the position of the federal authorities remained unchanged. He said Moscow would not conclude treaties on power-sharing with regions before the law was adopted.

Volkov said the draft law proposed by the government provided for a mechanism for power-sharing and possible conclusion of inter-industry, inter-department and other treaties of a lower level instead of intergovernment treaties as had been the case with Tatarstan and Bashkortostan.

At the same time, Volkov said he believed that a code of laws on power-sharing could be adopted instead of a single law. The code could aim at building a constitutional state instead of the present constitutional-contractual one, he added.

Recent Usinsk Pipeline Accident Causes Major Shutdown

LD2601183995 Moscow ITAR-TASS in English 1822 GMT 26 Jan 95

[By ITAR-TASS correspondent Viktor Makarov]

[FBIS Transcribed Text] Usinsk (Republic of Komi) January 26 TASS—The majority of oilfields in northern oil and gas deposits in the Republic of Komi and the Nenetskiy Autonomous District of the Russian Federation have been closed.

The situation there became critical as a result of an accident on January 23 this year when a trunk oil pipeline stopped operating. This pipeline carried oil containing liquid from places of its extraction to the main pipeline located near the city of Usinsk for cleansing from underground waters and other admixtures.

Part of this oil pipeline from the Vozey oil deposit to the main structures has already outlived its operation term and was subject to replacement.

In August-September 1994 there were numerous ruptures in the pipeline as a result of which over 14,000 tons of oil were poured out and 64 hectares of the territory were contaminated. Two more accidents have taken place this year. During the latest one, on January 23, according to preliminary estimates, 300 tons of oil spread through a hole and 1.5 hectares of the territory were polluted. Now consequences of this accident are being eliminated and the old pipeline is under repairs.

In accordance with a decision by the Commission on Emergency Situations of the Komi Republic a new oil pipeline from Vozey to the main line was to be built by December 1, 1994 and put into operation before December 20. However, so far its construction has not been completed. The rectification of the territory contaminated with oil products is being carried out very slowly. Of 70 hectares of polluted territory only some 13 hectares have been cleaned.

The main reason behind this is the shortage of funds. Numerous appeals to various Russian bodies of power to render financial aid for the elimination of consequences of these pipeline accidents near Usinsk have brought no positive results yet.

To all outward appearances, the top priority task set by the Commission on Emergency Situations of the Komi Republic concerning the full rectification of the polluted territory before April 1, 1995 will not be resolved. In this event it is very probable that during oncoming spring floods oil products from the contaminated territories may reach the River Pechora and the Arctic Ocean.

Tyva President 'Ready' for Dialogue With Moscow

LD2601171995 Moscow ITAR-TASS World Service in Russian 0844 GMT 26 Jan 95

[By ITAR-TASS correspondent Yevgeniy Sobetskiy]

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[FBIS Translated Text] Kyzyl, 26 Jan—Tyva [Tuva] is ready to tackle problems of Russia's organization through dialogue and compromise, says the annual message of President of the Republic Sherig-Ool Oorzhak to the people and parliament published in the TUVINSKAYA PRAVDA newspaper today. This concerns above all settling contradictions between the federal and republican Constitutions.

Substantial space is given in the message to issues of strengthening Tyva's statehood and placing relations between Moscow and Kyzyl on principles of federalism. The document analyzes the socioeconomic and political situation in the republic and makes a forecast for the coming year.

Tyva Government Member Assassinated

LD2601181095 Moscow ITAR-TASS in English 1558 GMT 26 Jan 95

[By ITAR-TASS correspondent Yevgeniy Sobetskiy]

[FBIS Transcribed Text] Kyzyl January 26 TASS—Aleksandr Bakulin, 58, a government member of the Russian Republic of Tyva [Tuva] on the border with Mongolia and the only ethnic Russian heading a district administration there, was stabbed to death while going to his office, but authorities deny there were any ethnic reasons behind the assassination.

Bakulin headed the administration of the Kaa-Khemsk district of Tyva and was killed on Tuesday by several attackers who fled in a car, the "TUVINSKAYA PRAVDA" newspaper said today and quoted a republican president's aide, Vladimir Bagai-ool, as rejecting any ethnic reasons behind the assassination.

A majority of the population in the republic are Tuvinians belonging to a Turkic ethnic group.

The growing crime wave in the republic made local President Sherig-ool Oorzhak submit to the Tyva Parliament a lawbill on extraordinary measures to fight crime.

'Antisemitic' Volgograd Paper Under Investigation

MM2601144395 Moscow ROSSIYSKAYA GAZETA in Russian 25 Jan 95 First Edition p 4

[ITAR-TASS report: "It Promised One Thing but Is Doing Another...."]

[FBIS Translated Text] The Court of Appeals for Information Disputes has called for the Russian Federation General Prosecutor's Office to carry out a criminal investigation into Sergey Terenyev, chief editor of Volgograd newspaper KOLOKOL [The Bell].

In the appeals court's opinion his actions fall under Article 74 of the Russian Federation Criminal Code (antisemitic propaganda, stirring up social discord and ethnic intolerance) and in addition contravene the Russian Federation Constitution and the law on the mass media.

In connection with appeals from a number of deputies, representatives of the Volgograd Administration, and journalists, the appeals court has carried out an expert analysis of items in KOLOKOL. It emerged that the bulk of the publication's material comprises reprints from newspapers of a radical-nationalist, chauvinist orientation. According to the appeals court's information, in its own items KOLOKOL, acting in the role of an "ardent fighter against world Jewry," attributed all Russia's real and imaginary troubles to the "destructive activity of the West's Zionist forces and their 'fifth column' in Russia."

During the expert analysis the appeals court established a divergence between the thematic direction stated by the founder on registration and the real content of the items. Instead of the declared "spiritual and economic development of society" the newspaper has indulged in antisemitic propaganda.

Largest Auto Plant's Troubles Viewed

MM2601122795 Moscow IZVESTIYA in Russian 25 Jan 95 p 2

[Report by Sergey Leskov: "ZIL Plant Making Government Limousines and Asking for Money Until Monday"]

[FBIS Translated Text] The main production line at the "ZIL" Joint-Stock Company—the country's biggest car maker—has been shut down for a week owing to a lack of circulating capital. The workers went to work Monday. But it transpired that their labor zeal was premature, owing to a mix-up. An order was signed Saturday under which the plant will have to stand idle for at least another week.

According to a report obtained by IZVESTIYA, only two shops at the "ZIL" Plant are still in production. Refrigerators and government "armored vehicles" continue to be produced there. Which is very noteworthy. These days the type of production that survives is geared to the mass market, as well as production that serves not state orders but top officials. Monday's labor enthusiasm led to the "ZIL" Plant's completely exhausting its stocks of generators, automobile glass, and tires. The plant does not have the money to buy new batches.

The "ZIL" Plant's main problem remains unaddressed. There is no money available or in prospect to restructure the plant and start production of their promising 1.5-tonne trucks instead of the large-capacity trucks for which there is no longer a market. People at the plant believe that a tragic mistake was made in privatizing the "ZIL," whereby a controlling 25-percent shareholding was acquired by Mikrodin [name as transliterated]. But this commercial structure cannot be faulted. In every respect it was a winning deal—acquiring a huge enterprise for $5 million. Even General Motors does not have

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a press line [pressovaya liniya] like this (it is worth $17 million), and the paint shop is worth $23 million. Even today potential investors—and they do exist—do not want to invest to back another owner.

The minimum investment the "ZIL" Plant requires in the first stage is 700 billion rubles. Plant economists believe that if this money is obtained they will be able to make production profitable by the end of 1995.

Late Monday evening there was a "ZIL" production meeting with First Vice Premier Anatoliy Chubays, whom President B. Yeltsin had instructed, together with V. Chernomyrdin, to solve the enterprise's problems. According to preliminary information, it was decided to set up a commission to "draw up measures to get the 'ZIL' Plant out of crisis." This formula makes you despair—as informed sources are reporting, it is essentially a question of a second share issue [vtorichnaya emissiya], disavowing the results of the first phase of privatization.

The Moscow City Government, particularly Yu. Luzhkov, are supporting this. There is reason to believe that in the very near future a presidential edict will be issued on privatization in the capital which will revise the results of phase one [of privatization]. Incidentally, the Moscow City Government, which owns 10 percent of the shares, will also have to demonstrate its right to "ZIL" property.

The audience with A. Chubays did not only look at strategic problems. The administration asked for short-term loans to be issued which could be used as working capital and for paying benefits to the workers.

Economic Issues

Government Approves Law on Free Economic Zones

LD2601174695 Moscow INTERFAX in English 1402 GMT 26 Jan 95

[FBIS Transcribed Text] Moscow, Jan 26 (INTERFAX)—At its Thursday session the Russian government in principle approved a draft law on free economic zones, which is to be finalized before February 20 and then submitted to the State Duma.

The draft law is based on a fundamentally new concept of establishing free economic zones (FEZ), which, as its authors from the Economics Ministry say, is founded on international experience in this field.

As for the practice of establishing FEZ used in Russia in 1990-92, it was found ineffective.

The draft provides for giving up the practice of turning whole regions and territories into FEZ, in favor of creating compact and specialized economic zones. The decisions to form these are to be taken by the government.

The draft law leaves the question of the already existing big FEZ in Russia—12 in number—open. According to First Deputy Prime Minister Anatoliy Chubays, those who finalize the document will have to study this problem closely and give the already existing FEZ enough time to readjust to the new legislation in order to prevent contracts signed with foreign partners from being disrupted.

The authors of the draft believe that no more than 10 big FEZ should be set up in Russia. In their view the most preferable areas to establish them in are Khabarovsk Territory, Pacific Maritime Territory, Kamchatka Region, Murmansk Region, Arkhangelsk Region, areas adjoining Finland, Kaliningrad Region, Black Sea ports, the North Caucasus and territories in Russia's south.

Polevanov on 'Incompetent' Privatization

MM2501120095 Moscow RABOCHAYA TRIBUNA in Russian 24 Jan 95 p 2

[Memorandum from V.P. Polevanov, deputy chairman of the Russian Federation Government and chairman of the State Committee for the Management of State Property, Goskomimushchestvo, to V. Chernomyrdin, carried as part of feature on privatization based on "materials obtained from the State Duma," under the general heading "Universal Privatization Program Proposed for Russia by Mr. Chubays Opens the Doors to Universal Colonization of the Country. That Is the View of New Goskomimushchestvo Chairman V. Polevanov, Whose Immediate Removal From Office Is Demanded by A. Chubays"; date of memorandum not given: "V. Polevanov to V. Chernomyrdin: 'Objectives of Privatization Distorted by Incompetent and Deliberate Actions'"]

[FBIS Translated Text]

I. Assessment of First Stage of Privatization, 1992-1994, by Nongovernmental Bodies

The period of check privatization in the Russian Federation ended 1 July 1994; its results were by no means unambiguous. The State Duma, in its Decree No. 378-I of 9 December 1994, deemed the **results** of the first (check) stage of privatization to be **unsatisfactory**. Point two of the decree identifies the priority task: "It is deemed necessary to carry out a **substantial adjustment** to the policy of privatization, since the **results** of its first stage do not meet the main **objectives** of socioeconomic **reforms**." In this same decree the Duma asked the Russian Federation president to suspend the operation of the edict on post-check privatization pending the adoption of a federal law (Appendix 1). [The 24 January edition of RABOCHAYA TRIBUNA does not indicate publication plans, if any, for the various appendixes referred to in the text, but two of these documents are carried in the paper's 25 January edition]

Moscow Oblast Duma, in its Decision No. 10/15 of 2 November 1994, noted that "the privatization program

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is based on an erroneous concept" and that "the continuation of privatization in these conditions could bring society to the brink of a social explosion," since "the majority of the population are excluded from privatization and access to it is open only to the small section of society that has been able to accumulate sufficient capital." The Moscow Duma also submitted a proposal to the Russian Federation president to suspend Edict No. 1535 of 22 July 1994 pending the adoption of a law (Appendix 2). Similar decisions were adopted by the representative organs of the Republic of Mordovia, Altay Kray, and a whole string of other regions.

The most trenchant in form and content was the "Statement of the LDPR [Liberal Democratic Party of Russia] Faction on 'The Results of Privatization in 1992-1994 in the Russian Federation'" (Appendix 3). In particular, it was noted that "**not one** of the main economic **objectives** of privatization formulated in presidential Edicts No. 34-1 of 29 December 1991 and No. 66 of 29 January 1992 **has been achieved**."

Russian Federation acting General Prosecutor A.N. Ilyushenko, in outgoing [memorandum] reference No. 19-15-94, 29 November 1994 [carried in Moscow RABOCHAYA TRIBUNA 25 January issue], sent a memorandum of information to Russian Federation Government Chairman V.S. Chernomyrdin "on instances of negligence in the selling off of federal property at enterprises in the military-industrial complex." A.N. Ilyushenko stated that "there is an **inappropriate mingling of state and private forms of ownership**, and in order for enterprises to obtain dubious, short-term benefits federal property is being transferred into the hands of private business" (Appendix 4). A 30 December 1994 report by S.I. Veryazov, chief of the section responsible for overseeing the implementation of laws in the economic sphere, on the results of an investigation of the Russian Goskomimushchestvo [State Committee for the Management of State Property] in Moscow and in 15 Federation components, claims that in virtually all regions where investigations were conducted with the said objective, there had been violations of legislation on privatization" [quotemarks as published] (Appendix 5). Numerous official documents from the leaders of the FCS [Federal Counterintelligence Service] and the State Committee for the Defense Sectors of Industry and the heads of the executive powers of Federation components, and others, form the basis of the following analysis of the check stage of privatization.

II. Realization of the Main Objectives of Privatization

(Based on the state program for privatization of state and municipal enterprises in the Russian Federation for 1992.)

The privatization program identified seven main objectives.

1. The formation of a class of private property owners who would promote the creation of a socially oriented market economy.

The quantitative achievements of privatization are undoubted (Appendix 6). Some 60 percent of enterprises have become non-state-owned, something like 40 million people are shareholders, and virtually full privatization has taken place in 20 Federation components.

But in reality the rapid redistribution of ownership pursued primarily not economic but political goals, and shareholders did not and could not become effective property owners. It is common knowledge that ownership of shares is exercised, in economic terms, in three ways:

a) by participation in the management of a joint-stock company;

b) by the receipt of dividends;

c) by the sale of shares.

Participation in the management of a joint-stock company is impossible for ordinary shareholders, since in order to manage a joint-stock company you need, if not a controlling block of shares, at least a large (more than 10 percent) block. The concentration of ownership that can now be observed, which is taking place through the buying up of shares by the enterprise administration, black-economy capitalists, and similar organizations, is making the management of joint-stock companies unattainable for the main bulk of workers.

The receipt of dividends, in the conditions of the continuing economic crisis, payment defaults, and loss-making enterprises, is also doubtful. Not more than 5-10 percent of enterprises operate at a profit, and only that number of shareholders can expect profits. A similar situation has arisen for shareholders in check investment funds. Only 136 out of 646 check investment funds paid dividends to their shareholders on the results of activity in the second quarter of 1994, mainly on a scale of between 50-70 percent and 100 percent.

The sale of shares at above face value, in an atmosphere of economic recession, is impossible for the vast majority of shareholders.

Consequently, a class of mass property owners exists in theory. In practice, property is in the hands of, and effectively owned by, **an insignificant section of the population**.

2. Increasing the efficiency of enterprises' activity through privatization.

Both privatized and state-owned enterprises operate at a low level of efficiency, since changing the form of ownership was not in itself enough to boost production efficiency. It is possible to increase efficiency by replacing obsolete equipment with new, using more progressive technologies, improving market research, and improving management. All these processes are lengthy and moreover require huge additional investments.

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3. Social protection of the population and development of social infrastructure facilities using funds received from privatization.

The privatization model that was implemented contributed only 1 trillion rubles [R] of income to budgets at all levels in two years, which is only half the level of Hungary's income from privatization. The third objective of privatization was not fully realized.

4. Furthering the process of stabilization of the financial situation in the Russian Federation.

The financial situation in Russia has not stabilized. In the first 10 months of 1994 the consolidated budget of the Russian Federation was implemented in the sum of R124.7 trillion as regards income and R167.8 trillion as regards expenditure. The consolidated budget deficit was 47.7 trillion, or 10 percent of GDP. In the same period in 1993 the budget deficit was 9.8 percent of GDP. The structure of the federal budget in 1994 deteriorated even more than the consolidated budget. The federal budget deficit for the first 10 months of 1994 was equal to R49.8 trillion, or 10.7 of GDP, whereas in 1993 it was 6.4 percent.

5. Creation of a competitive milieu and furtherance of the demonopolization of the national economy.

Objective not achieved, since the technologically backward production at the majority of enterprises is incapable of competing with more developed Western production. Largely because of this, the production of output in the machine building complex as a whole fell by 45 percent in 1994, while more than half of the consumer goods market was lost. The desire for demonopolization at any price largely destroyed the agro-industrial complex and broke up production cycles and links between economic units, as was seen particularly in the timber industry and metallurgy.

6. Attraction of foreign investments.

According to Russian Federation State Committee for Statistics figures, the volume of foreign investments fell sharply from 2,921 million U.S. dollars in 1993 to $768 million in the first nine months of 1994. And foreign currency investments are channeled mainly into **extraction sectors** of industry. Thus, in January-September 1994, compared with the same period last year [1993], the proportion of foreign currency investments in fuel and energy sectors **increased by 150 percent** (from 25 to 63 percent) simultaneously with a sharp fall in these investments in machine building (from 17 to 3 percent) and construction (from 11 to 4 percent).

7. Creation of the conditions and organizational structures for expanding the scale of privatization in 1993-1994.

A countrywide system of organs of the Goskomimushchestvo and the Russian Federal Property Foundation, the Federal Agency for Bankruptcy, and check investment funds has been set up. The privatization program's seventh objective has been entirely fulfilled.

Thus, of the seven objectives of privatization, the seventh has been fully realized, the first partially realized, and five have in effect failed.

It should be noted that in the course of check privatization in Russia fundamentally new market economy institutions have sprung up which did not previously exist at all. They are, first and foremost, investment funds (including check investment funds), holding companies, oil companies, and financial-industrial groups.

III. Negative Consequences of the First Stage of Privatization and Their Causes

1. Increase in crime connected with privatization.

According to information from Internal Affairs Minister V.F. Yerin and his deputy V.P. Strashko, in 1993 the internal affairs organs uncovered 27,600 crimes in the sphere of privatization, and in the first 11 months of 1994 the figure was 1,684 (Appendix 7) [this information is carried in 25 January edition of RABOCHAYA TRYBUNA]. The most typical crimes were: bribery, criminalization of the housing market, and the buying up of shares in the most profitable sectors of the national economy by various foreign companies and firms in violation of legislation.

As a rule, the source of income was not declared in connection with the purchase of large or even huge blocks of shares by individuals. For instance, Vasiliy Yuryevich Timofeyev (Tyumen Oblast) bought 210 million shares in "Gazprom," paying R2.1 billion. A single individual bought 51 percent of the shares in the "Uralmash" plant.

It is necessary urgently to adopt a draft Russian Federation Government Decree "On the Procedure for the Declaration of Sources of Income by Legal Entities and Individuals Participating in the Privatization of State and Municipal Property."

2. Undermining of national security.

In our view Russia's national security has been substantially weakened in the economic, sociopolitical, and defense spheres (Appendix 8).

2.1. Economic consequences.

(These) are expressed primarily in Russia's not receiving a significant proportion of income because of mistakes in the strategy and tactics of privatization. The total face value of the voucher fund (about R1.5 trillion) corresponded approximately to the book value of Russia's fixed capital at the end of 1991 (not counting housing—R1,650 billion at the then prices). But by October 1992, when the issuing of vouchers to the population began, prices had increased 20-fold in the process of liberalization.

The corresponding 20-fold revaluation of fixed capital was not carried out until a year later—in mid-1993. Thus the total **face value of the voucher fund was from the outset**

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20 times less than the value of the fixed capital. The market value of vouchers in the period from October 1992 to October 1994 was, on average, R12,500. By buying up and reselling large batches of vouchers, check investment funds in effect ensured the transfer of state property to its new real owners for next to nothing.

The income into budgets at all levels over two years in Russia as a whole totaled only R1 trillion, whereas in Moscow alone (where, for approximately 20 percent of enterprises, Mayor Yu.M. Luzhkov demonstrated the need for privatization at market prices) it totaled R1.8 trillion.

A recent bulletin from Britain's Independent Strategy consultancy says: "A large part of Russia's fixed production capital was sold in the process of privatization for something like $5 billion. Even if you assume that in Russia the value of fixed production capital is equal to GDP—whereas in the leading Western countries capital exceeds GDP by a factor of 2.4-2.8—for an economy where the GDP is on the order of $300-400 billion, the sum earned from privatization is frankly negligible" (12 September 1994, p8). In this connection the agency recommends that British investors do not miss the opportunity to take part in the purchase of shares in Russian enterprises, which "promises considerable profit."

Russia's 500 biggest privatized enterprises, with a value of at least $200 billion, were in effect sold for next to nothing—for some $7.2 billion.

Thus, one of the country's biggest enterprises, the Likhachev plant (Moscow), with fixed capital with a value of at least $1 billion, was sold for $4 million. The buildings and facilities of the Moscow Institute for Improving the Qualifications of Leading Workers and Specialists in the Chemical Industry, with an approximate value of $100 million, were sold for only R8 million [currencies as published]. Similar cases are quite numerous.

Basically, what happened was the biggest sell-off of state property in Russia's history, and this in itself was one of the sources of the crisis and paved the way for numerous future conflicts over the redivision of property. M. Mironov, chief of the Russian Presidential Staff department for letters and reception of citizens (outgoing reference A:8353 of 22 November 1994) pointed out on the basis of an analysis of 4,200 letters that many of the letters on the subject of privatization contain expressions such as "yet another deception."

The financial losses of the first stage of privatization were sharply exacerbated by a number of ill-considered actions.

Thus, on the strength of an inexplicable desire for de-amalgamation, many integrated manufacturing complexes were broken up, which jeopardized the very survival of the most up-to-date section of industrial potential. V.A. Zelenkin, chairman of the Federation Council Committee on Questions of Economic Reform of Ownership and Property Relations, reports in a letter addressed to me (outgoing reference 12-18/318, 27 December 1994):

"In the course of the conversion of these economic components (the aviation industry) to share ownership, the links between them were destroyed. Production was halted at the 'Permskiye Motory' enterprises, which are among the main producers of aeroengines in Russia, and which risk losing irreplaceable Russian specialists. [no closing quotemarks as published]

The greatest damage caused by the enforced de-amalgamation of enterprises forming part of a single manufacturing chain was sustained in the aviation, machine building, timber, defense, and agro-industrial sectors of the national economy.

Since the processes of privatization, because of their headlong pace, were not accompanied by the other elements of economic transformations (especially in structural policy), the greater part of the private and mixed sector that sprang up on the basis of state enterprises was on the brink of bankruptcy from the very first.

2.2. Social consequences.

The "lottery" characteristics of Russia's chosen method of "voucher" privatization (consisting in the fact that from the outset there was a lack of clarity as to which state assets had been earmarked for sale in exchange for checks), while failing to lead to the development of a rational corporative structure, created in the majority of the population a fixed (and not unfounded) conviction that rather than having been endowed with property, they had been dispossessed again.

Check privatization created a large group of "property owners with nothing" demanding state protection. The fact that they hold small and even large blocks of shares in low-efficiency enterprises makes these population groups "ineffective investors."

Earlier, in the conditions of an administrative economy, the state as the main and basically the sole owner in the former USSR acted as guarantor for poorly off, socially unprotected population groups (pensioners, the disabled), who make up about 30 percent of the total population.

In the period of transition to a market economy, the rush privatization of state property took place without appropriate mechanisms being created to protect the poorly off population groups. The creation of a system of social protection for poorly off population groups at the second stage of privatization is a priority national task.

2.3. Defense consequences.

Materials received by the Russian Federation FCS testify to the critical situation that is developing at enterprises in Russia's defense complex, a situation that, in the opinion of experts, is being exacerbated by **the fact**

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that privatization and conversion to share ownership are taking place without regard for these enterprises' specific characteristics and role in ensuring the fulfillment of the state defense order.

One significant aspect of the privatization of enterprises in defense sectors of industry is **the desire of foreign companies and firms to exploit the current processes in the defense complex in order to penetrate its management structures by buying up shares in enterprises undergoing privatization at check auctions.**

In this process foreign firms, in order to avoid investigation by the Russian FCS as stipulated in Point 10.1 of the "State Program for Privatization of State and Municipal Enterprises in the Russian Federation" approved by Edict of the Russian President No. 2284, 24 December 1993, **when acquiring shares in Russian enterprises in the defense complex, have recourse in most cases to the services of intermediary firms registered in Russia.**

In cases where enterprises in Russia's military-industrial complex are included on a list of facilities not subject to privatization, foreign enterprises seek to separate off structural subunits which then receive the status of joint enterprises and production units. In the opinion of South Korean experts, the creation of even small joint enterprises attached to Russian defense firms will provide wide opportunities to exert influence on the administration and subsequently obtain access to existing technologies and those in development. For instance, the Dutch firm ASM-Fiko [as transliterated] is pursuing this line with regard to the "Elmash" production association, and the Bulgarian firm Plastkhim and the German YeOS2 [as transliterated] with regard to the "Tantal" production association.

A heightened interest has been observed among foreign investors in such sectors as electronics, aviation, rocket-building, and nuclear power engineering, sectors which produce competitive civilian output. Acting through intermediaries, they try to take control of not only individual enterprises, but entire sectors of industry.

An analysis of the situation taking shape on the market for securities in defense sectors of industry shows that the form of acquisition of Russian property by foreign firms through intermediaries is of the nature of covert intervention by foreign capital with the aim of undermining the country's defense capability and economy.

Moreover, representatives of foreign firms put forward demands to the effect that the conditions for foreign investments in the Russian economy require not only the stabilization of the sociopolitical situation in the country and the conformance of domestic Russian economic legislation to international norms, but also that foreign investors be given access to reliable and complete information on the developing sociopolitical situation in Russia, as well as information disclosing the economic, technological, and financial state of the proposed target of investment. Here the handover of such information to foreigners does not presuppose any guarantees on their part of the unconditional opening of credit lines.

In the process of privatization of enterprises under the State Committee for Defense Sectors of Industry, the safekeeping of information subject to state secrecy remains a major problem. At a number of facilities that have undergone conversion to share ownership, with a view to saving resources the administration cuts state secrecy organs, paramilitary guard services, and services countering foreign technical intelligence operations, and closes special communications networks, significantly reducing the effectiveness of protection measures and creating real prerequisites for the leakage of not only industrial secrets, but also state secrets.

The situation that has arisen dictates the need urgently to adopt a comprehensive state program for the development and production of arms and military equipment based on the state military doctrine that has been adopted.

Furthermore the "State Program for the Privatization of State and Municipal Enterprises in the Russian Federation" needs to be amended by adopting additional measures to maintain national control over all components of the manufacturing process for the development and production of arms and military equipment, first and foremost the rocket-space and aviation industry, and also to ensure that the integrity of enterprises and institutions in the military-industrial complex is maintained on privatization.

Sectors that are fundamental to Russia's economy, such as machine building, oil and gas extraction and processing, electricity generation, water, river, and air transport, and communications facilities, have fallen into the private hands of foreign companies and criminal structures. State influence has been virtually lost in nonferrous metallurgy, where more than 90 percent of shares in enterprises belong to Western companies. The proportion of state participation in privatized enterprises in the Far Eastern fishing industry is 5-7 percent.

2.4. Reasons for the negative consequences of privatization.

These fall into two categories—objective and subjective.

The objective factors include such undoubtedly significant problems as the distorted structure of the economy, with the predominance of monopolies and the hypertrophied development of the military-industrial complex, the severance of economic ties as a consequence of the disintegration of the USSR, the struggle between branches of power, and the population's unpreparedness for reforms.

Subjective factors have made a significant contribution to the overall picture of the negative consequences of privatization. First and foremost there is the forced pace of privatization and its excessive politicization. The economic effectiveness of privatization was basically not

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planned for in the first stage. The political objective was dominant: to create a broad class of property owners at a forced pace in order to make the reforms irreversible. As has been shown above, that objective was not achieved.

The objectives of privatization were distorted by incompetent and deliberate actions both centrally and locally, leading to a drastic criminalization of the situation.

Privatization proceeded without regard for the mentality of Russian citizens, who regard a strong state as a fundamental asset. As a result of headlong privatization the Russian state has been seriously weakened.

Conclusions

1. Privatization as a process has taken place and the foundations of market structures have been created.

2. Numerous distortions in the process of its rush implementation, which was not required by the Law on Privatization, have significantly undermined the foundations of Russian statehood and weakened national security.

3. There is evidence of covert intervention by foreign capital with the objective of undermining the country's defense capability and economy in order to support the West's strategy of "Russia's guaranteed technological backwardness."

Proposals

1. Refrain from rushing the implementation of the second stage of privatization. Begin it only after the adoption of a corresponding law by the Federal Assembly.

2. Instruct the State Committee for the Management of Property to create a commission for the analysis and rectification of the mistakes made in sectors of industry that are strategically important to Russia, first and foremost the defense, space, and aviation sectors and sea ports.

3. Urgently draw up and introduce a package of measures regarding the management of state property and state blocks of shares.

4. Step up the pace of formation of vertically integrated structures in industry and the agro-industrial complex, based on the creation of financial-industrial groups and holding companies.

5. Since a large part of the responsibility for the omissions of the first stage rests with First Deputy Government Chairman A.B. Chubays, he is not objectively committed to the eradication of shortcomings and will try to pursue the former, largely discredited line in the sphere of privatization. I therefore request that First Deputy Government Chairman O.N. Soskovets be charged with oversight of the State Property Committee, since it is in the sectors under his oversight, in the defense and aviation industry, that the largest number of violations have taken place in the course of privatization and their rectification will take place in the shortest possible time under his leadership.

[Signed] V.P. Polevanov, deputy chairman of the Russian Federation Government and chairman of the State Committee for the Management of State Property.

Economist Argues Tough Monetary Policy Crucial

MM2501131195 Moscow IZVESTIYA in Russian 25 Jan 95 p 4

[Article by Dr. of Economic Sciences Vladimir Mau: "Age of Universal Shortages..."]

[FBIS Translated Text] It is hardly necessary now for someone specially to demonstrate that the Chechen crisis is having and will have for a long time to come a profound and many-sided impact on our present and future. This is not, however, solely because Russia's economic and political landscape changed drastically after 10 December 1994. The problem of the alternatives for the country's further development, the problem of the choice determining our prospects beyond the 20th century has intensified to the hilt. What specifically am I talking about?

Above all, about power. The election results of 12 December 1993 required the president and the government to decide: What are the reference points which will ensure that B. Yeltsin or someone in his immediate entourage keeps the presidency? Two alternatives actually existed. First, to ensure economic stability and try to lead the country toward the start of steady economic growth during the two and one-half years remaining until the elections. Second, to toughen up the political regime to the utmost, try to intercept aggressive nationalist slogans, and ride this wave to clear the political space of aspirants to power on both the right and the left.

This apparently purely political choice had and continues to have deep economic roots. At the same time, as one of our leaders used to say, economics takes clear precedence over politics.

The point is that there must be 18-24 months of resolute and highly professional politics between the start of a real stabilization course and the emergence of the first signs of an improvement in the situation which can be felt by the people (and not just understood by economists). This is not a postulate invented by theory but a fact confirmed by the experience of those European countries which have demonstrated a successful solution to the problem of postcommunist transformation. The substantial slowing or halting of inflation and structural transformations (clearing up finances or closing down loss-making enterprises) during the first year create a basis for starting production growth during the subsequent several months.

The reformers in V. Chernomyrdin's government understood this well as long ago as the end of 1993. It was clear

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to them that only by starting consistent reforms without delay was there a chance of making tangible positive progress by June 1996. But the president and the premier wavered, displaying a clear tendency toward populism—which was the reason at the time for the resignation of Ye. Gaydar and B. Fedorov. Only in the fall, after the grave economic defeats of August-October, did the government finally venture to pursue a consistent course. But already there was little time left. The risk of failing to cope with a very difficult task, under conditions, moreover, of strong opposition forces (which made up the majority in the State Duma), was very great.

This was evidently realized also by the conservative section of the president's "inner circle." The logic of a political victory with the help of economic reforms remained almost incomprehensible to them. Here too various kinds of official and unofficial advisers and analysts were going on every day about the increasing attractiveness either of nationalism or of authoritarianism. In short, it is far more effective to show daring on the battlefield than to show incomprehensible boldness on the economic field. It was these arguments that were "fired off" in December.

It did not, however, prove that easy to beat the economic logic in the corridors of power. The government continued and is continuing to insist on its own program of economic reforms, which finds embodiment in the state budget for 1995. The draft which passed its first reading 23 December is a budget of peace, not of war. Unexpectedly for many people, a very important document was signed, which liberalizes trade in petroleum products, despite the fact that it was resisted very strongly in the apparatus. The president makes unequivocal proreform statements. But at the same time an armed conflict is continuing, which will cost the treasury more than 1 trillion rubles in both direct and indirect losses (i.e. revenue not received, which no one yet is counting). The conflict between war and a peaceful budget does not have an economic solution. A political choice is needed here.

The need for such a choice, which must be made in the very near future, has suddenly demonstrated with terrifying vividness that the economic and political progress of recent years is by no means irreversible. It has suddenly become clear that it is possible to go back to an economy of universal shortages and of an all-powerful state (under Russian conditions an all-powerful state means an all-powerful, corrupt official) literally in a matter of months—you have only to implement the first advice of the national-communist leaders.

Indeed, what would happen if we took the path of easing monetary-financial policy—which is inevitable under conditions of military operations? This would unequivocally be followed by a sharp destabilization of the currency market, and the authorities would most likely carry out the next demands of those who until recently were counted as the "intransigent opposition"—to introduce a compulsory ruble rate. This is virtually tantamount to going back to the situation whereby a state official doles out currency, deciding to whom to give it and to whom not to give it. An artificial (overstated) ruble rate will lead to the immediate flushing out of imported consumer goods. However much we curse the "domination of imports," this is the main factor holding down prices on the Russian market. Without competition from foreign goods our Russian monopolist producers would immediately put up the prices of their products sharply.

What would the government have to do in this situation? Carry out one more demand of its recent opponents—restore state control over prices. After this something happens that even a schoolchild can understand now—goods would start to disappear from the stores, and Russia would again fall into the trap of a devastated consumer market, universal shortages, ration cards not backed up by goods, and hours-long waiting lines for all foodstuffs. That is, we would return to the situation of 1991 with all its problems, including the real threat of Russia's breakdown into "self-sufficient" regions separated from each other by customs barriers.

The regime that would arise as the result of such a development of the situation would not mean a return to communist economics in a pure form. It would be an authoritarian regime, which in terms of its economic (but not political!) characteristics might prove to be close to the regime of 1988-1991. That is, administrative control over economic agents is restored, but this control acts selectively—it hardly exists for "one's own" people (close to the corridors of power) but does exist for the rest, and opponents of "one's own" are squeezed from the market. The rules of play on such a market are different for those who play with power and for those who try to be independent. Quotas and licenses are preserved as a very important source of an official's power.

In such conditions a redistribution of property in favor of "one's own" is almost inevitable. Only certainly not nationalization according to old prescriptions, but the resolute ousting of potential competitors. What would be meant by a competitor here is not a market rival but a private owner not included in the circle of persons who have knitted together with the powers that be.

Since the peasantry would not be interested in selling their produce, it would be necessary to introduce elements of requisitioning by force—the confiscation of a proportion of agricultural products.

The attitude to the new Russian entrepreneurs would be ambivalent. Much would depend on the origins of a particular entrepreneur. An important question is: To what extent would it be possible to pay off the authorities' expansionist pretensions? It would certainly be necessary to **pay them off**, and everyone would have to do

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so. But would it be possible to succeed in **paying them off**, and for whom? It is impossible to give an unequivocal answer to this question.

The other alternative is cautious, carefully regulated disentanglement from the present situation by resolutely refusing war, returning to a real, tough financial policy, and achieving stabilization, which is the only thing that creates conditions for economic growth. All the post-communist states in which economic growth has already commenced achieved this **exclusively** as the result of halting or substantially slowing up inflation. The fact that economic growth begins approximately one year after the growth of prices falls to a level below 3 percent a month may be considered a practically immutable law. Of course, Russia is no exception in this regard.

It is possible to return quite quickly to the path of reforms and to begin real changes for the better. In 1992 approximately one-third of the path toward economic growth had been traveled. At the same time nobody, not even the opponents of reforms, speaks of 1992 as a lost year. The losses began afterward, when the country was doomed to stand still for approximately two years.

Two-thirds of the path remain to be traveled.

Government's Inflation Failures Scorned

MM2601170195 Moscow IZVESTIYA in Russian 26 Jan 95 p 2

[Report by Andrey Illarionov of the Institute of Economic Analysis: "Inflation Grows, Heedless of the Government"]

[FBIS Translated Text] Inflation is behaving "impermissibly." Since last October the government has regularly promised a fall in the inflation rate to 7 percent in the following month, but it continues to grow—first 16 percent per month, then 15 percent, and sometimes even 18 percent. No one, naturally, now recalls the summer forecasts putting the inflationary "bulge" in the fall at 12 percent. Nor do they recall the fact that all year long the government was promising 5-7 percent for December. In reality the figure was 18 percent. In January the figure is 6 percent "under the government plan"; in reality it cannot prove to be less than 17 percent. Where did this inflation come from? How to explain the riddle of its behavior?

And then our government economists decided: "Apart from objective, economic causes, inflation also has psychological causes." It's down to human psychology, they say—today psychology forces people to pay 18 percent more for the same commodity or service than yesterday. And tomorrow, again according to the laws of human psychology, they will pay 20 percent, and perhaps even 50 or 100 percent more. That's just the way human psychology works—people want to pay more and receive less. Once again the people are choosing to rouse "inflationary expectations."

Naturally, in the opinion of our magnanimous government, its owen expenditure on Chechnya is just a drop in the ocean, some 0.5 percent of GDP, well, perhaps 1 percent—how can this undermine Russia's economy and destroy its budget? But on the other hand, the conspiracy of 150 million Russians, simultaneously seized by a pathological desire to accelerate the growth of prices twofold and accordingly reduce their own income and diminish their prosperity and living standards, does, of course, undermine both the Russian economy and the government's efforts.

After all, ordinary Russians are exactly like the Chechens. The latter deliberately blow up their own homes and set petroleum storage facilities alight—well, that's just the way they like to live, that's their "psychology." And Russians, well, they deliberately drive up inflation: They are partial to increasing prices. But the Russian Government, of course, is both for peace in Chechnya and against inflation in Russia.

A slackening of budgetary and monetary policy became noticeable as long ago as January 1994. The federal budget deficit in terms of a percentage of GDP increased from 7 percent in the last quarter of 1993 to 9.7 percent in the first quarter of 1994 and to 11.3 percent in April through August. The rate of growth of the money supply increased particularly sharply—from 7.4 percent at the end of 1993 to 12.7 percent in April through August 1994.

Naturally, the increase in the money supply made itself felt on the consumer market five to six months later in the form of a new wave of inflation. And then the monthly inflation rate, which by the summer of 1994 had settled down to 4-6 percent, rose to 15-18 percent in October-December 1994 and will come to around 17 percent this January.

Obviously, from February a certain slowdown in the inflation rate will commence, but, obviously, in both February and March this rate will be in double figures. And in that case inflation for the first quarter alone, if not for the first two months of the year, will top the 27-30 percent which the government promised us for the whole of 1995. Why? Where does this inflation come from?

Alas, from the government's own actions. Because, while publicly rejecting Central Bank credits, the government continues to take them out intensively and to create the conditions for new loans.

First, the draft budget drawn up by the government provides for the purchase by the Central Bank of state securities worth between 12 and 20 trillion rubles [R]. And this is a purely inflationary method of funding the budget deficit.

Second, at the government's request parliament has already ratified credits worth R5 trillion for the first

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quarter to cover "cash-flow problems." Wherever these credits are directed, it leads to a net increase in emission.

Third, through the lips of its First Vice Premier A. Chubays the government has agreed to give credits to agrarians at a preferential rate, which once again means printing money. True, it is still not known whether this decision will come off in the final analysis. But the agro-industrial complex' debt of R5.6 trillion has already been restructured as a state internal debt.

Fourth, according to the government's draft budget, export tariffs were supposed to be five ECU's [European Currency Units] per tonne, but the government, in a new decree of 31 December 1994, reduced it to two ECU's. The result is a loss to the budget of approximately $400 million, or around R2 trillion, per year.

Fifth, the export tariff on oil has been reduced from 30 to 23 ECU's per tonne by comparison with last year. The loss to the budget is $800 million, or around $4 trillion

Sixth, a decree on defense complex enterprises was adopted 19 December 1994 stipulating a substantial increase in budgetary expenditure and a reduction in budgetary revenue.

Seventh, in a desperate bid to attract sources from the private sector, by artificially bumping up the profitably of its own securities the government has already constructed the biggest Russian financial pyramid. Having increased the returns on three-month short-term state bonds to 300 percent and on six-month state bonds to 350 percent the government has by its own hand deprived itself of noninflationary sources of covering them.

Eighth, Chechnya. The final cost of the Chechen crisis will exceed by a wide margin even the highest of the figures that have been cited as of today.

More on Goskomstat's 1994 Performance Data

MM2501113195 Moscow PRAVDA in Russian 25 Jan 95 p 2

["Review" by Tamara Smirnova: "Russia's Economy in Dead Faint. Russian Federation State Committee for Statistics Sums Up 1994 Results"]

[FBIS Translated Excerpt] For several weeks, the tragic events in Chechnya pushed all other news into the background. Meanwhile, life goes on. The country has entered the new year and, true to tradition, the Goskomstat [State Committee for Statistics] has prepared the latest report on Russia's socioeconomic situation in 1994. In the past such material used to be published on the front pages of newspapers and became the object of most serious analysis. Nowadays the democratic press seems to be keeping mum. The reasons behind this unanimous silence are obvious: Failure of the proclaimed reforms, catastrophic decline of the people's living standards. The figures offered by the statistical department leave no doubt about this at all. [passage omitted]

Production of Industrial Output

[Passage omitted] The country did not produce any computer and control systems, scrapers, flax combine harvesters, or mowing-rolling machines at all.

In the fuel and energy complex, the extraction of basic categories of energy resources in standard unit terms declined by 6 percent. Thus, compared with 1993, electricity generation stood at 92 percent, the production of oil at 90 percent, of gas at 98 percent, of coal at 89 percent, of automobile gasoline at 88 percent, of diesel fuel at 84 percent, and of furnace fuel at 90 percent. During the same period electricity generation dropped by 9 percent at heat and electric power stations and by 18 percent at nuclear power stations, while increasing by 1 percent at hydroelectric power stations. During the year the country processed 183 million tonnes of oil, being 58 percent of the extracted quantity, which is 16 percent less than in 1993.

The situation is no better in ferrous metallurgy. Output levels for the majority of product categories were below last year's. The manufacture of heat-tempered rolled metal reached only 89 percent, that of rolled sheet-metal, low-alloy rolled steel, sheet metal and sheet iron, and cold-rolled ribbon steel between 74 and 80 percent, that of casing and drill pipes less than one-half, and that of bent steel sections and metal cord one-third.

In the machine building sector, the production of the most important categories of output also continued to decline.

The manufacture of small-capacity AC electric motors, diesel engines and diesel generators, digitally-controlled metal cutting machine tools including processing centers, electric bridge cranes, pneumatic tire traction tower cranes, trucks, bulldozers, loaders, spinning machines, tractors, and grain harvesting combines reached 31-44 percent of the 1993 level, while the manufacture of explosion-proof electric motors, wound and glazed conductors, timber-processing machine tools, and motor vehicle trailers was one-half [of the 1993 level].

In the chemical and petrochemical industry, the production of synthetic dyes was reduced by 21-27 percent compared with last year, while the production of cinematographic and photographic film, synthetic rubber, thermoplastic pipes and pipeline sections, and plant protection agents was reduced by 42-51 percent.

A sharp decline of production was also observed in the timber, timber-processing, and pulp and paper industry. Thus, output figures were: 74.0 million cubic meters of commercial timber (66 percent of 1993 level), 18.8 million cubic meters of lumber (68 percent), 2.614 million standard cubic meters of hardboard slabs (67

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percent), 2.214 million tonnes of paper (77 percent), and 1.192 million tonnes of cardboard (76 percent).

The situation in light industry is even worse. The sector is in turmoil, factories are closing down one after the other, and the workers employed by them are idle against their will. In view of this, it is hardly surprising that production output here has been cut back in terms of virtually all indicators: The production of textiles and knitwear has declined by over 40 percent, while that of footwear has been more than halved. [passage omitted]

Agriculture

[Passage omitted] Generally speaking, the economic situation of agricultural enterprises has deteriorated catastrophically. Whereas profitability levels approached 49 percent in 1993, they were just over 4 percent in 1994. About one-half of farms ended the year with a loss (against only 10 percent of such enterprises in 1993).

Prices

Prices of goods and services increased by a factor of 3.2 in 1994, including food prices by a factor of 3.1, nonfood goods prices by a factor of 2.9, and prices of paid services for the population by a factor of 7.6

Inflation reached 53 percent in just the fourth quarter (against 18 percent in the third quarter). In October, following the sharp decline of the ruble rate of exchange against the U.S. dollar, price rises affected mainly the large cities with saturated consumer markets. The prices of goods continued to increase intensively in November-December in large cities, as well as in medium and small ones. In this process, the largest increase was registered by prices of butter (79 percent) and of milk and dairy products and eggs (32-40 percent). Vegetable and fruit, groats, pasta, meat, and fish prices increased by 18-20 percent, and the prices of bakery products, flour, bread, and vodka increased by 11-14 percent.

Since the start of the year the price of salt increased by a factor of 6.3, that of bread, groats, pasta, dairy products, eggs, and edible fats by a factor of between 3.7 and 4.9, that of flour, sugar, bakery products, and fruit by a factor of between 3 and 3.4, and that of meat products by a factor of 2.9.

Significant differences were maintained in December between the level of prices for the same products in different cities in Russia. The gap between prices of butter and vegetable fats, beef, milk, and bread ranged between ninefold and elevenfold.

The cost of the basket of 19 basic foodstuffs increased by a factor of 3.5 and reached 107,000 rubles [R] per month at the end of December. The highest cost was maintained in cities in the Far East and the lowest in the Volga Valley and the Central Chernozem region. In Moscow the food basket was valued at R132,000 (it went up by almost 30 percent in December and by a factor of 1.8 over the last three months of 1994).

As we can see, Russia's socioeconomic situation deteriorated sharply last year. No progress at all was recorded in virtually all sectors of industry and agriculture. Failure along all fronts instead of the stabilization promised by the government. Crisis phenomena in the economy are gathering pace as time goes by. There we have the bitter fruit of the reforms forcibly imposed on the country by the democrats.

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International Affairs

Kiev, Libya Reach Rail Construction Agreement

WS2701112295 Lvov INFOBANK in English 0835 GMT 27 Jan 95

[From the "News Service" feature]

[FBIS Transcribed Text] [no dateline as received] In February, a group of Ukrainian experts will visit Libya. They will discuss technological and economic issues regarding the construction of a railroad connecting Cairo, Tripoli and Tunis. The agreement about this construction was reached during the visit of the Secretary of the Libyan National Energy Committee, 'Abdallah Salim al-Badri, to Ukraine. Al—Badri heads the Libyan delegation of the Ukrainian-Libyan commission on bilateral cooperation. The protocol signed in Kiev specifies the sectors of economy which are prospective for both countries. Among these sectors are oil refining and production of oil-chemical products, construction of gas and oil pipes by Ukrainian workers in Libya, construction of hydro-engineering complexes and communal buildings, production of steel and cast iron, and production of energy in Libya. In exchange, Libya will pipe its oil to Ukrainian oil refineries, one of which will be the newly-opened terminal in Odessa. On the Ukrainian side, the Libyan-Ukrainian committee will be headed by Energy Minister Vilen Semenyuk.

Talks Continue on Aircraft Sales to Russia

AU2601175595 Kiev HOLOS UKRAYINY in Ukrainian 25 Jan 95 p 1

[Unattributed report: "I Will Wave a Wing When Flying Above You"]

[FBIS Translated Text] In the very near future, experts of the Russian Air Force will arrive in Kiev. Jointly with their Ukrainian colleagues, they will assess the technical condition of the Ukrainian strategic bombers Tu-160 and Tu-95. This was stated by chief of the Press Service Lieutenant Colonel Oleksandr Kluban at a briefing at Ukraine's Defense Ministry. Consequently, the protracted negotiations on the sale by Ukraine of these most advanced aircraft (as such that do not "fit in" the Ukrainian military doctrine) to the Russian Federation are nearing completion. An accord on the future expert evaluation had been reached at a meeting of military delegations of the two countries in Kiev. The delegations were headed by Lieutenant General Volodymyr Antonets, commander of Ukraine's Air Force, and Lieutenant General Anatoliy Proskurin, chief of staff of Russia's Air Force Long-Range Aviation.

Official on Use of Ukrainian Missiles in Chechnya

WS2701111795 Lvov INFOBANK in English 0835 GMT 27 Jan 95

[From the "News Service" feature]

[FBIS Transcribed Text] [no dateline as received] On January 25, the head of the Lvov regional committee of the UNA (Ukrainian National Assembly), Andriy Shkil, accused the Lvov Association of Radio and Television Equipment (LORTA) plant of selling two high-accuracy weapons of the 9C-477 type, which may be used by Russia in the Chechnya conflict. Oleksiy Nyzhnyk, chief engineer of the LORTA plant, confirmed this information. However, he stated that these devices cannot be used for the war in Chechnya, at least not in the near future. Nyzhnyk added that devices with this degree of complexity cannot be used in the war immediately after they are unpacked; at least one or two months are required for flight tests. In addition, the product, which is labelled in LORTA as 9C-477, is not yet a ready missile and needs to be finished in Russia. The chief engineer explained to an INFOBANK correspondent that the largest portion of LORTA products are shipped to Russia, since the Ukrainian Armed Forces cannot supply a sufficient number of orders because of international restrictions on conventional weapons for Europe.

National Affairs

Kuchma Issues Edict on Crimean Ordinances

954F1063A Simferopol KRYMSKAYA GAZETA in Russian 25 Jan 95 p 1

[Edict by Ukrainian President Leonid Kuchma: "On Ordinances of the Government of the Autonomous Republic of Crimea"]

[FBIS Translated Text] The Government of the Autonomous Republic of Crimea has adopted a number of ordinances that fail to correspond to legislation of Ukraine.

Ordinance 291 of the Council of Ministers of Crimea of 16 November 1993 approves a badge of an officer of the State Automobile Inspection of the MVD [Ministry of Internal Affairs] of Crimea depicting state symbols of Crimea and also a statute in respect to the badge. This decision conflicts with the law of Ukraine "On the Militia," according to Article 7 of which the militia in Ukraine is a unified system of authorities, which is part of the structure of the Ministry of Internal Affairs of Ukraine, the militia of the Autonomous Republic of Crimea included. According to Article 16 of this law, the militia has a single official uniform and insignia approved by Ordinance 766 of the Cabinet of Ministers of Ukraine of 11 November 1994.

Ordinance 82 of the Council of Ministers of Crimea of 16 June 1994 approves the statute "On the Procedure of the Issue of Licenses for the Realization of Goods (Work, Services) With Payment in Foreign Currency on the Territory of the Republic of Crimea" and revises Ordinance 334 of the Council of Ministers of Crimea of 21 December 1993 "On Increased Liability for a Violation

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of the Rules of the Realization of Goods (Work, Services) With Payment in Foreign Currency on the Territory of the Republic of Crimea." By adopting these acts, the Government of the Autonomous Republic of Crimea went beyond its jurisdiction since, in accordance with Article 5 of the Decree of the Cabinet of Ministers of Ukraine "On the System of Currency Regulation and Currency Control," the question of the issue of licenses and the performance of currency transactions is within the jurisdiction of the National Bank of Ukraine, not the Crimean Republic Bank, as established in the abovementioned acts of the Government of the Autonomous Republic of Crimea. Article 16 of the decree regulates the matter of liability for a violation of currency legislation, for a violation of the rules of the realization of goods with payment in foreign currency included.

Ordinance 138 of the Government of Crimea of 25 August 1994 "On Income Tax on the Citizens" establishes, in defiance of Decree 13 of the Cabinet of Ministers of Ukraine of 26 December 1992, rates of progressive tax on the citizens on the territory of Crimea. This ordinance also contradicts Article 14 of the law of Ukraine "On the System of Taxation," in accordance with which income tax on the citizens is referred to the category of all-state taxes, which are established and collected throughout the territory of Ukraine.

On the basis of what has been adduced above and in accordance with clause 7-2 of Article 114-5 of the Constitution of Ukraine, **I resolve:**

To rescind as not conforming to legislation of Ukraine the following ordinances of the Government of the Autonomous Republic of Crimea:

—291 of 16 November 1993 "Badge of Officers of the State Automobile Inspection of the MVD of Crimea";

—334 of 21 December 1993 "On Increased Liability for a Violation of the Rules of the Realization of Goods (Work, Services) With Payment in Foreign Currency on the Territory of the Republic of Crimea";

—82 of 16 June 1994 "On the Realization of Goods (Work, Services) With Payment in Foreign Currency on the Territory of the Republic of Crimea";

—138 of 25 August 1994 "On Income Tax on the Citizens."

[Signed] L. Kuchma, president of Ukraine.

[Dated] City of Kiev, 12 January 1995.

Commission Notes Crimean 'Disregard' for Laws

LD2601205695 Kiev UNIAN in Ukrainian 1800 GMT 26 Jan 95

[FBIS Translated Text] Kiev [no date as received]—No steps whatsoever have been taken to bring the constitution of Crimea in line with that of Ukraine. Amid disregard for Ukrainian parliamentary resolutions, the Supreme Council of Crimea continues to approve new legislative acts that are in breach of the Ukrainian laws in force. This was a statement made by Yuriy Karmazin, chairman of the interim commission of deputies studying the political and legal situation in Crimea, at the latest sitting of the Supreme Council of Ukraine Presidium. He supported his conclusion by citing facts such as the passage by Crimea's parliament of a resolution disbanding the regional branch of the State Property Fund of Ukraine, another proclaiming Crimea's ownership of all property, and a declaration denouncing the Belovezhskaya Pushcha agreement.

The interim commission is in possession of documents proving the transfer by the Black Sea Fleet command of military property, in particular, in Balaklava and the settlement of Veseloye, to local authorities in spite of the fact that, under a variant of the fleet's division, this property is to belong to the Naval Forces of Ukraine.

The interim commission believes the parliament of Ukraine should approach the president as the guarantor of the Ukrainian Constitution to demand the annulment of the Crimean president's decrees that are in breach of the Ukrainian constitution.

The commission also insists the issue of the political and legal situation in Crimea should be addressed at a closed sitting by the Supreme Council of Ukraine to be attended by the presidents of Ukraine and Crimea and Crimea's fully assembled Supreme Council Presidium and government.

In a discussion on a tentative agenda for consideration at a session in January and February, the Supreme Council of Ukraine did not include the issue of the situation in Crimea in the order of business. Once the interim commission's work is finally over, however, this will probably be done.

Republican Leader Criticizes Kuchma Policies

WS2601154895 Kiev SAMOSTIYNA UKRAYINA in Ukrainian 17-23 Jan 95 p 5

[Interview with People's Deputy Mykola Horbal, leader of the Ukrainian Republican Party parliamentary faction, by Mykhaylo Yakubivskyy; place and date not given: "Presidents Come and Go, but Ukraine Remains"]

[FBIS Translated Text] [Yakubivskyy] What do you think about the Law on Power proposed by the president?

[Horbal] Some time ago, I wanted the executive power to be strong, and even to some extent made efforts to see it concentrated in one—that is, the president's—hand. But this is, as a matter of fact, a law on dictatorship of the president, a man who continues to seek Ukraine's integration with the "zones" from which other peoples are running away. This cannot help but alarm. I am concerned about Leonid Kuchma's last interview given to

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the Moscow- based newspaper KOMSOMOLSKAYA PRAVDA. In this interview, the president said that he never regarded the national idea as being of prime importance. At the same time, for us, the Republicans, the national idea and traditionalism are the foundation for building the Ukrainian state. Declarations by Leonid Kuchma about the priority nature of integration of the Ukrainian economy into the CIS structures certainly raises objections. This is why the Ukrainian Republican Party deputies are quite critical of the draft "Law on Power" proposed by Leonid Kuchma.

[Yakubivskyy] But the president's report to the parliament also contained progressive points, including those on privatization, which triggered a sharp reaction on the part of the Communist faction...

[Horbal] The Communists have completely different plans. Even if Ukraine were to become a Russian province, Russia does not need it as an economically backward province. Privatization is the sweeping process that is now being actively conducted in Russia. It will not miss Ukraine, either. However, we do not want to get lulled by the phrase "Kuchma wants reforms." We support him in this. But does Kuchma want our state to be independent from Moscow? I must say that not all Communists in the Supreme Council will oppose the president's policies regarding privatization and the creation of a national economy. This is exactly the situation that could split the Communists into two camps, with the first camp acting under the slogan "The worse things are in Ukraine, the better," and representatives of the second one understanding that they and their children have to live here; so, they might embrace the Ukrainian national idea.

[Yakubivskyy] What do you think about Kuchma's repeated statements that he does not disown his electoral pledges to grant Russian the official language status? As for the promised fight against the Mafia, people somehow do not hear about reverberating court trials of perpetrators stealing millions of dollars from the Ukrainian state...

[Horbal] In the same interview to KOMSOMOLSKAYA PRAVDA, Leonid Kuchma said that the "...bare national idea proved no good." [passage in quotes provided in Russian] Honestly, I do not know what kind of term this is, the "bare national idea." I wonder how he wants to "clad" this "bare" idea. The fact that the president's entourage is Ukrainophobic and Russian-speaking explains much! It is true, Kuchma tries to speak Ukrainian, for which he should receive credit. But if you want to build the Ukrainian national state, the element of national culture and the Ukrainian language should become dominant. The president is supposed to know how much effort the empire put forth to make our nation disappear from the world's history, and how much suppression the Ukrainian language had undergone. The Ukrainian president simply has no right to abet such tendencies.

[Yakubivskyy] You have just returned from your electoral district. What are the sentiments among the population? What is their attitude toward the activities of the Supreme Council?

[Horbal] I respect the people's opinion. But adversaries of the Ukrainian state do so much to make people disappointed with our independence. The "fifth column" has already achieved certain successes in this field. A drop in living standards also plays an important role here. Of course, there are people who complain. What can be said about this? Should I be angry with them for this? It is a good thing that big politics is accomplished not by passive onlookers, but by the selflessly committed citizens. Whatever our raging enemies might say, we have established ourselves as an independent state. Moreover, we will succeed in this role! Presidents come and go, but Ukraine remains. Of course, better progress could have been made, a more efficient parliament elected, over the three years of independence...

However, the most important issue is that the Ukrainian state exists, and it is essential that the populace does not believe the deceitful idea that Ukraine cannot survive without Russia. God forbid that we should link our economy with those Russian strifes and wars. Today, small Chechnya is ready to die for its independence; tomorrow, Yakuts, Komi, and other peoples of the Russian Federation will consider it. This is obvious. We should run away from that hideous imperial behemoth in our bare feet! Unfortunately, President Kuchma fails to understand this so far, or refuses to understand. Russian political analysts know only too well that they can keep the Russian Empire from falling apart only at the expense of Ukraine. Do Ukrainians need this? Does Ukraine need this? Do we need to have our soldiers used as the cannon fodder for protecting Russian interests? Ukraine will not become a wealthy and strong state until everyone, as patriots, begins to work. Then we will have prosperity... Japanese patriotism made a strong Japan.

[Yakubivskyy] In spite of difficult years of oppression, you remain an optimist. Seeing your spiritual vigor and your cheerful disposition, it is surprising that you managed to preserve the warm Ukrainian humor after 16 years of imprisonment.

[Horbal] I am most afraid of people who do not understand humor. I am wary of those people.

Odessan Favors Preserving Local Councils

WS2601154995 Odessa ODESSKIYE IZVESTIYA in Russian 13 Jan 95 p 1

[Unattributed report: "News Conference by Chairman of the Odessa Oblast Council Ruslan Bodelan"]

[FBIS Translated Text] [Chairman of the Odessa Oblast Council] Ruslan Bodelan held a news conference devoted to the results of the fourth session of the Odessa Oblast Council, with the participation of N.V. Palatnyy,

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head of the financial administration at the oblast executive committee and S.R. Grinevetskiy, head of the oblast executive committee's Secretariat.

R.B. Bodelan noted that the session endorsed a recommendation by the Ukrainian Supreme Council chairman about the need to discuss the draft constitutional law "On State Power and Local Self-Government in Ukraine." By the way, many rayon and town councils of the oblast have already put the draft law on the agendas of their following sessions, intending to speak about their attitude toward it.

One can have many opinions about the draft. However, one thing is clear: this law is necessary. This particularly applies to the division of powers wielded by all branches of power, and the restoration of the chain of command of all executive power institutions. Only after that the implementation of economic reforms proposed by the Ukrainian president and approved by the Supreme Council can bring positive results.

If the law is not adopted, R. Bodelan noted, we will propose that amendments be introduced to the draft law "On Local Councils of People's Deputies" aimed at building a clear vertical structure of the executive power: the president—the Cabinet of Ministers—executive committees of local councils, as well as enhancing executive discipline throughout the vertical chain of power, and responsibility for the decisions made and the socio-economic and political situation in the region.

Thus, the session of the oblast council expressed its support to the president's initiatives intended to improve people's living standards, but said that councils at all levels should be preserved as the political base of the state by legally determining their powers.

Another issue that raised the particular attention of the deputies was the distribution of budget funds and, as a result, the complex relations between oblast and town councils.

This issue could as well have been neglected, R. Bodelan noted, if it had not been for E. Gurvits' promise to "veto" a decision to be made at the oblast council's session.

In the opinion of the oblast council chairman, it is not allocations that are at issue, but the fact that attempts are made to shift the blame for all failures to the Odessa Oblast Council. Yes, this year is not going to be easy, compared with past years. Instead of repeating that we got nowhere, we should jointly find a way out of our current predicament without blaming each other. Funds should be distributed based on their availability.

The oblast budget has not yet been determined. As a matter of fact, it will not be possible until after the national budget is drafted. So, it is premature to argue about percents and figures. The percentage of appropriations sent to us may be high or low, but we should manufacture at least something to receive them. Unfortunately, the city produces very little.

Of course, it is difficult to admit that we again have to tighten the belt, R. Bodelan said. But it needs to be said. We should seek to funnel the available funds to remedy our sorest spots.

In conclusion, R. Bodelan answered numerous questions from the journalists.

Socialists Oppose Power Bill, Land Privatization

WS2701112895 Kharkov SLOBIDSKYY KRAY in Ukrainian 17 Jan 95 p 1

[Report by K. Heorhiyev: "Socialists for Social Accord]

[FBIS Translated Text] At a regular news conference held by the Kharkiv Oblast organization of the Socialist Party of Ukraine, the participants summed up the organization's activities in 1994. The organization leaders, particularly Volodymyr Mukhin, member of the Supreme Council Presidium and chairman of the Commission for Issues of Defense and National Security, presented their standpoint on the current political and economic situation in the country. In general, they negatively assessed the presidential draft law on power, which, in the opinion of the conference organizers, is an attempt to introduce an authoritarian form of government. Regarding privatization, the socialists basically do not oppose it, except for land, which must not be traded.

Responding to journalists' questions regarding the apparent participation of Ukrainians in the Chechen conflict (such reports, at least, are presented by the Russian media), Volodymyr Mukhin said that the Ukrainian Security Service, having got in touch with its Russian colleagues, has received no official confirmation of these reports.

Chechnya Events Result in 'Well Guarded' Plant

AU2601150695 Kiev URYADOVYY KURYER in Ukrainian 24 Jan 95 p 6

[Unattributed report]

[FBIS Translated Text] Nikolayev Oblast. In this time of energy shortage, the two power units of the Southern Ukrainian Atomic Electric Power Plant work to their full capacity. The third unit is presently under maintenance repairs, and the fourth one is completely halted.

The radiation situation at the plant does not provide any grounds for concern and all maintenance work is conducted with the participation of foreign specialists. The equipment supplied by the Czech Republic and Slovakia ensures reliable control over the reactor operation.

It has become a good tradition at the plant to regularly inform journalists about the state of affairs. This reduces

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the number of unsubstantiated rumors. In connection with the events in Chechnya, the facility is being particularly well guarded.

Ministry Works on Missile Silo Destruction Plans

LD2601173595 Kiev UNIAR in Ukrainian 1300 GMT 26 Jan 95

[FBIS Translated Text] Kiev, 26 Jan—According to the Ministry of Defense, the destruction of strategic nuclear missile launch silos will begin this summer in Ukraine. However, Ukrainian military experts are as yet undecided about the method of destruction: the American or the German method. The United States proposes destroying the silos with explosives. It is well known that Defense Minister Valeriy Shmarov favors the German method because of the danger of using explosives. The majority of the facilities are located near settlements. The German method would entail cutting the launch silo constructions and concreting the lower parts. The Defense Ministry has not excluded using the American method.

Government Forms Radioactive Waste Department

LD2701111895 Kiev UNIAN in Ukrainian 1000 GMT 27 Jan 95

[FBIS Translated Text] Kiev [no date as received]—Ukraine's State Committee for the Use of Nuclear Power has set up a new department for the disposal of radioactive waste, Valeriy Starodumov, deputy head of the committee's science and technical directorate told UNIAN. The new department is formed in accordance with the committee's program for radioactive waste disposal. Work is in progress at Chernobyl nuclear power plant to design recycling facilities for nuclear waste, to be released during the phase-out of Chernobyl AES, operations at the cover unit (containing the crippled fourth reactor) and the functioning of other nuclear plants.

According to Starodumov, the new department is not envisaged in the state guidelines on nuclear safety regulation and nuclear sector administration, which refer nuclear waste disposal to the Ministry for Protection of the Population from the Aftermath of the Chernobyl Accident. But the ministry, he said, is not paying enough attention to the issue, which has led to certain problems with nuclear waste at nuclear power plants.

The worst situation today is reported at Khmelnitskiy AES, where liquid radioactive waste repositories are almost full. According to the Ministry of Environment and Nuclear Safety, the Khmelnitskiy AES repositories will last for three more years, or for 18 months if its second power generating set is commissioned.

Official on Energy Situation; No 'Crisis'

LD2601192495 Kiev UNIAR in Ukrainian 1640 GMT 26 Jan 95

[FBIS Translated Text] Kiev, 26 Jan—There is no energy crisis in Ukraine, believes Vilen Semenyuk, Ukraine's minister of power engineering and electrification. At a Cabinet of Ministers briefing he said, in particular, that in the opinion of power engineering workers, the country's energy complex is developed well enough and is able to produce enough energy to satisfy the needs of the economy and population. All the difficulties and disorders are only due to the shortage of fuel, which, in its turn, is the result of delays in payments for fuels. According to the minister, consumers pay off only 50 percent of what they ought to pay for the energy consumed. Journalists were informed that the overall debt at 23 January 1995 amounted to 45 trillion karbovantsi.

The rated capacity of Ukraine's power engineering enterprises is 54.2 million kWh. Thermal power stations account for almost 68 percent of this capacity, nuclear power stations for 24 percent, and hydroelectric power stations account for the rest of the rated capacity. Inasmuch as a considerable number of thermal power stations exhausted their service life, a new draft program of power supply in Ukraine envisages that the production of energy should be reorientated. The volume of the electric energy produced by nuclear power stations will grow from 24 to 40 percent.

Replying to a question from UNIAR on the expediency of imposing value-added tax on imported fuels (a provision on imposing the tax on all the goods in circulation in Ukraine is incorporated in a draft law that will soon be considered at the Supreme Council), the minister, in particular, pointed out that he was against this decision, but his opinion was disregarded.

World Bank Considers Energy Assistance Credits

WS2701111895 Lvov INFOBANK in English 0835 GMT 27 Jan 95

[From the "News Service" feature]

[FBIS Transcribed Text] [no dateline as received] According to the draft national program for energy supplies in the Ukrainian economy until 2010, reconstruction of hydroelectric power plants on the Dnieper River is expected to begin soon. Modernization in the energy sector will include improvement of existing energy-producing units for 200, 300 and 800 megawatts, implementation of ecologically safe technologies for the burning of low-quality coal, and introduction of efficient steam-gas energy-producing units at the Prydniprovska, Slovyanska, and Chyhyrynska power plants. This was decided at the session of the Cabinet of Ministers held on January 26. According to Konstantyn Skoryk of the World Bank Mission in Ukraine, the World Bank is drawing up two projects for the renovation of Ukrainian hydroelectric and thermal power plants. At the end of February, talks between representatives of Ukraine and of the World Bank will take place in Washington. They will discuss a credit of over $100 million for the reconstruction of hydroelectric power plants on the Dnieper and the financing of a national dispatching center of the Ukrainian Energy Ministry. The term of this credit will

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be seventeen years and the reconstruction of power plants on the Dnieper River should be finished by the year 2000.

According to information provided by the Energy Ministry, as of January 23, the national debt to this ministry is over forty-five trillion karbovantsi. At the same time, the ministry's debts for fuel and loans are estimated to be nearly fifty-six trillion karbovantsi. The Energy Ministry experts believe that the situation can be improved only if the payment for energy resources will correspond to the actual value of those resources. At present, the price of one kilowatt hour of electricity in rural areas is forty times lower than its actual cost and twenty-six times lower in urban areas.

Economic Issues

Kuchma Addresses Stock Market Conference

LD2601182995 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 26 Jan 95

[FBIS Translated Text] The year 1995 will be crucial in stabilizing our economy, Ukrainian President Leonid Kuchma told participants in an international symposium on the subject of establishing a stock market in our state today [26 January]. It was emphasized that the future of the Ukrainian economy is in setting up technologically advanced industries and making use of their unfathomable intellectual potential. Attention was also drawn to the need for developing fast capital turnover areas, attracting small businesses, and private capital.

The president believes there is every precondition for small business privatization to be completed next year.

Kuchma Signs Agrarian Reform Edict

954F1037A Donetsk DONBASS in Russian 24 Jan 95 p 1

[Unattributed report on presidential edict: "In Support of the Agrarians"]

[FBIS Translated Text]**For the creation of conditions conducive to the development of the agrarian sector of the economy and a broadening of the rights of the producers of agricultural products in terms of their realization and in connection with clause 7-4 of Article 114-5 of the Constitution of Ukraine, Leonid Kuchma has issued the edict "On Measures for the Reform of Agrarian Relations."**

It emphasizes that the producers of agricultural products shall independently dispose of their products, realizing them by contracts, government contracts included, and other agreements via exchanges, trading and contract houses, and procurement organizations and brokerages.

Foreign investors making investments in engineering projects of the cultivation of agricultural products and their processing and storage shall independently dispose of the products obtained against the investments, including their exports without quantitative restrictions and licensing, except for cereals.

The edict supports the initiative of agricultural commodity producers for the creation in accordance with current legislation of Ukraine of a system of specialized agarian exchanges. It is essential before the formation of these exchanges that the National Bank of Ukraine make provision for the organization and realization on the Ukrainian Interbank Currency Exchange of trading in futures and forward contracts for the purchase of agricultural products and the results of their processing with the enlistment in this of the commercial banks as brokers and agents, with the subsequent realization of such trading at specialized commodity exchanges.

Official on 'Decline' in Agriculture

LD2601222195 Kiev UNIAN in Ukrainian 1800 GMT 26 Jan 95

[FBIS Translated Text] Dnepropetrovsk [no date as received]—It is the sale of agricultural produce to Russia and Turkmenistan alone that can ensure the purchase of energy from those countries. This was the consensus among agriculture bosses from Kharkov, Donetsk, Lugansk, Zaporozhye, Kirovograd, and Dnepropetrovsk Oblasts, participants in a day-long seminar on the tactics of spring field work.

Yuriy Karasyk, Ukrainian agriculture and food minister, said as little as 14 percent of the fertilizers required have been put in, which is a fifth or a sixth of earlier figures. He said: "Agriculture has been provided with a mere 50 to 60 percent of the gas required, which resulted in 2.5 million hectares of land remaining untilled. On the whole, 50 trillion karbovantsi should be found for a new crop to be sown."

Yuriy Karasyk added the yield in Ukraine had fallen from 32-35 quintals per hectare to 21.7, saying the reason for the decline in agriculture was that the state lacked a clear agricultural policy. He said he wanted the collective ownership of land by collective farms to be set down in the law.

Deputy Economics Minister on Market Integration

WS2601140495 Kiev SAMOSTIYNA UKRAYINA in Ukrainian 17-23 Jan 95 p 5

[Interview with Ukrainian Deputy Economics Minister Volodymyr Naumenko by Svitlana Yaryna; place and date not given: "New Ways—New Results"—first paragraph is SAMOSTIYNA UKRAYINA introduction]

[FBIS Translated Text] The issue of Ukraine's integration into the European and worldwide economic systems remains probably the most uncertain and unsolved issue thus far. The country is standing at the crossroads—that is how many politicians still picture Ukraine in their

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minds. Even though they recognized Ukraine's independence, the economically developed states are in no hurry to view it as their economic partner, preferring at first to make sure that the country's market reforms are stable, and demanding the acceptance of international norms. Ukraine's internal and external markets may develop according to various patterns. One of them—entry into the European community—appears to be possible thanks to the creation of the Baltic and Black Sea Economic Alliance. Ukrainian Deputy Economics Minister Volodymyr Naumenko talks about the need to establish economic relations with the Baltic and Central and East European states.

[Naumenko] Creation of the Baltic and Black Sea Economic Alliance is an extremely important issue; not even the creation itself but the prospect of its implementation. It seems to me that this issue is even more pressing than the currently debated law on power, because it is about both internal and external strategy. It is one thing if we orient ourselves toward the traditional old markets in Russia, the traditional old links, the mediocre quality of products, and the antiquated product technologies. In this case, we would create a system of links with Russia, Asian countries, the Baltic states, and the states of Eastern and Central Europe. But it is another thing when we begin to orient ourselves toward high- technology products and the quality-sensitive market. In that case, it would be the orientation toward the Western market, which changes the situation completely. The following issue arises here: neither Russia, nor Ukraine, nor even Poland have high technologies. Those technologies come from the West. How can we get them? For this, we should create favorable conditions for the market economy that would purchase those technologies.

The products currently brought into Ukraine, especially to its consumer market, are all low-quality goods by Western standards. If Ukraine chooses to proceed down the first path, it would mean a pursuit of a different policy, comprising the CIS in its traditional shape or even an economic union. However, one should then realize that in five to 10 years, we will have neither competitive products nor competitive technologies.

Another path is the possibility of economic integration with countries aspiring to have modern technologies and competitive products based on new principles, completely different from those forming the Council for Mutual Economic Assistance. This calls for a different labor division system.

There are products manufactured in Ukraine that are very competitive. But there are also limitations to the markets and an inability, caused by various reasons, to sell those products for normal prices. There is no support on the part of the state—I am talking about protectionism, as is the case throughout the world. There are no normal regulations for exporters. All this narrows domestic and foreign markets, and causes production to drop. This is why the above economic alliance would dramatically expand markets, primarily those countries that would be willing to join it. Participation in this alliance would not be some kind of transition between the Eastern and Western economic models. Its member countries would be clearly oriented toward the Western model. As a result, this would open the way for Western technologies, competition, and quality products.

Of course, a manufacturer who will fail to adapt to new conditions will go bankrupt. On the other hand, there is little use in the fact that it exists now, because it gives the country no profits or hard currency. Only a small fragment of production is made in a modern narrow market niche. This is why I believe that this kind of organization is urgently needed.

The issue is not the creation of some sort of union to counterbalance Russia, or even a sanitary border to counterbalance some part of the West, as it was in the past. The issue is that countries with similar types of economies and new ideas want to create a normal competitive and efficient economy and combine their economic efforts. This is a bridgehead for conquering new markets, because our products will become competitive. Meanwhile, we are presently forced to buy mainly energy sources and to sell raw materials. This is why this issue is of prime importance. Much will depend on what political decision will be made.

An opinion is widely held that all of the 25,030 [as published] countries whose economies are beginning to develop—the countries of the Soviet Union, Asia, and China—will become rich in one fell swoop. Of these three dozen countries, only a few, maybe three or four, maximum seven, will overcome the economic crisis quickly. Only the countries that will combine their efforts from the very beginning and find their niche on other markets will succeed. I think that for Ukraine, this is a foregone conclusion. Ukraine is a European state, and we should proceed and pursue our policies based on this fact. Ukraine should seek to break into the European zone, instead of orienting itself to the limited needs of Asian countries that used to form the now defunct Soviet Union. We should determine our position, because this will decide about the further progress of our reforms and our movement to the civilized market.

Commissioner Discusses Economic Issues

AU2601172595 Kiev HOLOS UKRAYINY in Ukrainian 24 Jan 95 p 6

["Topical" interview with Viktor Ivanovych Suslov, chairman of the Commission for Issues of Finance and Banking Activity, by Serhiy Vlad; place and date not given: "Our Prices Already Exceed Those Prevailing in the World"]

[FBIS Translated Text]**Last year's achievements of the Commission for Issues of Finance and Banking Activity must make a good impression upon any unprejudiced observer. A whole series of legislative acts aimed at**

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normalizing the credits and finance system and establishing an autonomous state banking structure show that the commission did not remain idle last year. The commission chairman Viktor Suslov also contributed much to these achievements. He has an image of a principled and determined person of strong will.

[Vlad] Viktor Ivanovych, a little more than a month ago, you stated from the Supreme Council podium that the state credits and finance system was falling apart. Many people thought that was an exaggeration.

[Suslov] This process is intensifying. However, against the background of the deep stagnation in the economy, as attested to by the pre-strike situation at many enterprises of basic industries, this already looks like a catastrophe.

[Vlad] The last thing I would like you to do is to look for those to blame....

[Suslov] Of course not. It is simply necessary to say outright that, starting from November [1994], Ukraine has been experiencing a profound governmental crisis. This is also confirmed by the legislative bills that our commission has been receiving for approval. The bills drafted by the government and by the president show dissimilar orientations. In some cases, the documents refer to the same bill. One goes over them with a single thought: We will never emerge from the crisis unless we decide what type of economy we are striving to achieve—planned or market.

[Vlad] Which one do you prefer?

[Suslov] This reminds me of the question: "Are you for the 'Whites' or for the 'Reds'?" I am in favor of a well-balanced market economy. I am convinced that we are proceeding toward it by the method of trial and error, and, as a result, state interests are badly affected. For example, I do not approve of the method for price liberalization with which we started moving toward market relations. In my opinion, it should have initially applied to foodstuffs. The delay in its implementation led to a situation in which profiteers immediately took advantage of the liberalization of export activity. On the other hand, liberalization of the currency exchange rate led to skyrocketing prices on the consumer market. Please understand me correctly: I am not against price liberalization; I am in favor of a mechanism for counteracting price increases. As long as there is no such mechanism, the prices will continue to rise, even though prices of many goods already exceed those prevailing in the world.

[Vlad] I quite agree with you that, at the first stage of price liberalization, in particular in the case of hard currency, there were certain miscalculations. This could not be otherwise, because there constantly emerged, mildly speaking, misunderstandings between the presidential team and the government. They also take the form of the state budget deficit....

[Suslov] Not only that. Also the form of Ukraine's debts to other states, debts which the government is presently unable to repay. The small credits from international financial organizations will not enable us to settle accounts with Russia or Turkmenistan. Nor will they enable us to overcome the deficit in the balance of payments with those countries. However, it is perfectly natural that the government's embarrassment before its own people is much more noticeable. The state budget deficit has been a theme for discussions ever since experts of the International Monetary Fund started their work on Ukrainian land. However, where are proposals that would make it possible for us to considerably reduce the deficit?

Here is what I think of this: The problem of state deficit lies in the enormous quantity of unjustified benefits for taxpayers. The number of these benefits is so huge that one starts thinking about conditions being created by juridical persons in order to avoid taxes. Yet another point: The oversaturation of the budget with subsidies. Moreover, they are not granted to the population in the form of wages, but largely turn whole branches of the national economy into dependents.

[Vlad] You are saying that there are no proposals on how to reduce the budget deficit. Are there any proposals on other no less important problems?

[Suslov] None at all. Even if the commission makes a corresponding inquiry, as was the case on the eve of signing the known agreement with the Russian Federation, an agreement under the code name "zero variant."

[Vlad] Is it true that not a single representative of the Supreme Council takes part in preparing the large-scale agreement with Russia?

[Suslov] Nobody from our commission. Nor from the Supreme Council, as far as I am concerned. We just work. There are three branches of power—"Upwards strains the swan..., the crab keeps stepping back, the pike is for the pond" [Ivan Krylov]....

[Vlad] What a desperate-sounding interview! Could you say something optimistic?...

[Suslov] If we become like-minded people, then come and hear me out. Meanwhile, let us wait and see what the Ukrainian president says on the government policy.

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Official on 'Energy Crisis,' Nonpayments

LD2601193795 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 26 Jan 95

[FBIS Translated Text] There is no energy crisis in Ukraine. What there is is the crisis of nonpayments. This was a statement made at a briefing in Kiev today by Vilen Semenyuk, minister of power and electrification. If the financial system functioned, there would be no need to restrict the consumption of electricity, he said. The total sum owed by the consumers at present is 45 trillion karbovantsi, enough to buy 12 million tonnes of coal. At the same time, due to the shortage of working capital the Minenerho [Ministry of Power and Electrification of Ukraine] debt to enterprises for fuel and credits is also considerable. One of the reasons for this is that the consumption of electricity by the population in Ukraine is recorded on the basis of the payments received and its size is half the actual.

The cost price of one kilowatt-hour of electricity for its producers is approximately 30 times its price, the minister added. To improve the situation, the energy industry believes there should be a change in financial policy, the industry should be re-equipped and there should be strict economy.

Gas Deliveries Increase to Crimea

954F1042A Simferopol KRYMSKIYE IZVESTIYA in Russian 24 Jan 95 p 1

[Government of Crimea press service release: "In the Crimean Government"]

[FBIS Translated Text] As a result of the intergovernment agreement signed between Ukraine and Turkmenistan, Turkmen gas began to arrive in Ukraine. Since 22 January, the daily delivery of gas to Crimea increased by 116,000 cubic meters. While before the signing of the agreement the republic consumed 1.311 million cubic meters a day, currently the expected supply is 1.45 million cubic meters. Gas pressure in the cross-country gas main increased from eight to 11 atmospheres, which will make it possible to stabilize the situation in the industrial sector and municipal services in the republic.

On 22 January, Prime Minister of the Crimean Government A. Franchuk left for Kiev to discuss further the issues related to the Crimean fuels and power generation complex and budget, as well as to participate in the Council of Heads of Ukrainian Regions.

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Belarus

Lukashenka Criticizes 'Eurasian Union' Plan

LD2501135495 Moscow Radio Rossii Network in Russian 1100 GMT 25 Jan 95

[FBIS Translated Text] Alyaksandr Lukashenka, president of Belarus, has categorically distanced himself from Russian-Kazakhstan unification, and has sharply criticized Nursultan Nazarbayev's idea of setting up a Eurasian Union instead of the Commonwealth of Independent States. In an interview to a group of journalists, which included our Minsk journalist Yuriy Svirko, Alyaksandr Lukashenka said:

[Begin Lukashenka recording] I have nothing to do with that so- called Eurasian Union, which began taking shape with the signing of Russian-Kazakhstan agreements in Moscow. Moreover, I am also convinced that Boris Yeltsin does not consider these signed agreements as a Eurasian Union. We have clearly decided at the last meeting of heads of state that we had the Commonwealth of Independent State, and that we wanted to cooperate at various levels. It has been demonstrated by Ukraine, Belarus, and Russia. Here it is, and let us get on with it. And any attempts by certain politicians to declare that Belarus, Russia, and Kazakhstan have set up some new Eurasian Union, or have started setting it up, believe me, I can speak for myself, and for Yeltsin, and I can tell you that there is nothing like that. We have decided that we shall continue to develop the trends which are being shaped in the CIS. I am ready for this. I will not depart this policy. [end recording]

Liberal Political Bloc Looks for 'Balance'

WS2601145195 Minsk BELAPAN in English 1030 GMT 26 Jan 95

[Article by Ales Knyazyuk: "Liberals Knock Together a Preelection Bloc," from the "Analysis, Commentaries, Forecasts" feature No. 15 19-24 January 1995]

[FBIS Transcribed Text] [no dateline as received] On January 19, 1995, a logical conclusion emerged from the negotiation process, in which the following liberal organizations took part: the United Democratic Party, the Party of People's Accord, and the Civic Party which was established only a month ago. Their leaders signed a Declaration on the formation of a united bloc "Civic Concord." In accordance with this document, the formation of the bloc was the result of a natural tendency to form a balanced central political movement, free from extreme radicalism of any form, achieving society's approval for the resolution of problems of an economic, social, or political nature in the name of eradicating the crisis in the country. The bloc's slogan is "through concord, a reasonable policy and hard work to a prosperous Belarus." The idea of concord in the opinions of the officials who signed the declaration does not exclude the political struggle, but does contain it within the strict limits of the law, moral standards, respect for opponents and trust in allies.

The bloc proclaimed the following basic principles: strengthening the sovereignty of the Republic of Belarus; decisive reform of the old unworkable economic system; the priority of the rights of the individual over the interests of the state, or national and social groups.

This last principle is the main cause for divergence between "Civic Concord" and a preelection bloc of democratic forces which was proclaimed on January 12. It will be recalled that it was formed by the Belarusian Popular Front, the Belarusian Social- Democratic Hramada [Assembly], the Belarusian Peasants' Party, the Belarusian Christian Democratic Party, and the National Democratic Party. Their divergence is not news [as received], it is just one of the reasons for the discord between the "informal leaders" of the two blocs—the Belarusian Popular Front (BPF) and the United Democratic Parties of Belarus (UDPB). In the Declaration of the formation of the BPF bloc general state interests were proclaimed a priority over class, party and group interests, although the security of human rights was also declared. Here it is apparent that the interests of the state and human rights cannot go hand in hand, as much as it would be beneficial for the BPF—it will never give human rights preference over general state interests, which does not mean, however, that it adheres less to the maintenance of these rights during the struggle for power. As we can see, this divergence between the BPF and the UDPB is a classic divergence between organizations of national-democratic orientation and liberal orientation. The bloc "Civic Concord" considers that for the implementation of the declared principles it is essential to fairly distribute the burden of overcoming the crisis among all social sectors. The state's duty is to make it possible for individuals to realize their initiatives, to guarantee freedom, to defend the rights of the individual and private property. As a result of this the liberals are defining their attitude to power. They have declared that they reserve the right to constructive criticism of mistakes, contradictions, and inconsistent policies of the government right up to their transition to the opposition. The immediate aim of the parties united in the bloc "Civic Concord" as recorded in the Declaration of its creation is the utmost assistance in the formation of a highly professional parliament in the country, guaranteeing stability and democratic order, in which the representatives of the bloc, victorious in the next elections, will create a single faction. Furthermore, considering the fragmented nature of the democratic forces a factor of their weakness and taking into consideration the closeness of their positions, the Party of People's Accord, the United Democratic and the Civic Party announced their intentions to unite into a single party within the framework of the bloc. It was also declared that the bloc will be open for the joining of any political organizations who share the same principles and aims.

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It has been informed from reliable sources that the leader of the United Democratic Party insisted that the Party of All-Belarusian Unity and Concord would not join the bloc, having also participated in the negotiation process at its preliminary stage. Thus, in the parliamentary elections, as for the presidential ones, the democrats and the liberals will not come out a united front. But this time only the liberals will find themselves in a losing situation, as in the parliamentary elections a much greater role will be played by party membership and also the organizational powers of parties. The Belarusian Popular Front, even more so in its bloc with the Belarusian Social-Democratic Hramada and the Belarusian Peasants' Party, has a very ramified network of regional organizations and has every chance of promoting its candidate to an MP in more than 90 percent of the election districts. While the newly formed bloc "Civic Concord" has really strong regional organizations only, most likely, in Homel and Maladzechna.

"Candidates of the BPF in rivalry with candidates of "Civic Concord" will win in the elections," Viktar Ivashkevich, one of the leaders of the preelection headquarters of the BPF, assures. "It is a different matter, when we will not advance a candidate to rival theirs, for example, with Henadz Karpenka (chairman of the Party of People's Accord).

Mikhail Plisko, member of the coordinating committee of "Civil Concord", asserts that this bloc is not against the coordination of its actions with those of the BPF and Co. during the preelection campaign.

"We are not against it either," Mr. Ivashkevich responds, although adding: "But their forming a separate bloc has somewhat complicated the situation..."

To a great extent, these two declarations are more directed to the public. The national-democrats and the liberals, it seems, have parted ways forever.

Article Criticizes Customs Pact With Russia

WS2601131595 Minsk BELAPAN in English 1030 GMT 26 Jan 95

[Article by Uladzimir Kulazhenka: "If the Belarusian-Russian Agreement on a Customs Alliance Is Ratified, Belarus Will Lose Its Economic Independence," from the "Analysis, Commentaries, Forecasts" feature No. 15 18-24 January 1995]

[FBIS Transcribed Text] [no dateline as received] During the last two weeks passions have raged in the Supreme Soviet of Belarus around the detailed redistribution of the expenses sector of the budget, for the purpose of increasing expenditure on health protection. Conditions became even more tense when the MP's [Members of Parliament] received a package of documents signed by the Governments of Russia and Belarus which, according to the Prime Minister Mikhail Chyhir, will become the basis for a conclusion to the treaty on friendship, cooperation and good- neighbourly relations between the two states. MP Uladzimir Zablotski announced that it was exactly the tactless action of signing the agreements that will determine the shortage of resources for health protection, education, and culture. In the newspaper LITERATURA I MASTATSTVA the signed agreements were called "the deal of the week". Members of the "shady cabinet" of the Belarusian Popular Front consider that the agreements signed about the establishment of a customs alliance between Russia and Belarus, about the main principles of the establishment of financial- industrial groups, and others, will result in "the liquidation of the independence of the state, the complete poverty of the Belarusian nation, huge losses, and the irreversible desecration and destruction of national, material and cultural possessions".

A particularly great deal of criticism was directed to the agreements on customs alliance, on the main principles for the creation of financial-industrial groups, and on the ensuring of mutual convertibility and the stabilization of the exchange rates of the Belarusian ruble and the Russian ruble. The extent to which this criticism is justified can be judged by an analysis of the Agreement on a Customs Alliance between the Republic of Belarus and the Russian Federation. This is not only an economic, but a political act. So, in the Protocol on the Introduction of a Free Trade Regime Without Exceptions or Limitations between the Republic of Belarus and the Russian Federation it was recorded, "the Parties, confirming the earlier bilateral agreement concerning free transit and maintenance services for military establishments of the Russian Federation on the territory of the Republic of Belarus, have agreed that from January 1, 1995 a free trade regime will be introduced between the Republic of Belarus and the Russian Federation on full scale with no exceptions or limitations"... Commentary is unnecessary. Apart from anything else, Belarus will keep the troops of a foreign country on its land for nothing. The concluding of a customs alliance may look like an insignificant event far from the needs of the people (goods are conveyed somewhere or other across the border, they are sent somewhere, some sort of stock taking is done, etc). At first glance, this has no meaning for the people at all. In fact, this is far from true. It was not by chance that the Russian side accelerated the official signing of the agreement.

Sensing the unpredictable atmosphere and the real possibility that the political situation in Belarus may change after the forthcoming elections to the Supreme Soviet, the Russian side demanded that the "Protocol for the Introduction of a Free Trade Regime ...." should contain a note about the necessity of internal state procedures for the legal implementation of the bilateral agreements about the preservation of the Russian Federation's military establishments on the territory of Belarus, and the agreement on a customs alliance, dated January 6, 1995, of which Moscow is to be notified through diplomatic channels.

At first the Belarusian Government kept the agreements signed with Russia secret, hoping it would succeed in not

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submitting them for ratification. But at the demand of the opposition it had to distribute the texts of the agreements among the parliamentarians. And this was not mere chance because the content of the customs agreement provokes a lot of questions.

For instance, Point 2 of Article 1 reads: "The Contracting Parties define the customs alliance as an economic amalgamation of the states" though it will be based on certain principles. When and where was a customs alliance the economic amalgamation of states? Undoubtedly, they pursued political ends. Article 2 "Mechanism and Stages of the Creation of the Customs Alliance" is disadvantageous for Belarus. It specifies two stages of making the alliance. In the first the Parties are to carry out "the unification of the foreign economic, customs, financial, tax and other laws concerning the foreign economic activities within four months from the date of signing the Present Agreement (it means before elections to the Belarusian parliament). It is clear why one of the Contracting Parties is in such a hurry. It is not clear how the present composition of the Supreme Soviet, which is near its resignation and overloaded with lawmaking work as it is, can accept this. The following note in Article 2 is particularly interesting: "the power to regulate relations between the customs alliance and other countries and international organizations shall be delegated to one of the Contracting Parties." It is evident that Russia will hardly delegate powers to Belarus. One can see that here the agreement defines Russia's aspiration to take upon itself the regulation of relations with third countries on behalf of our Republic. If the customs agreement is ratified, then in accordance with it common customs tariffs and a common customs policy will be established as regards third countries. This means that Belarus' independence in the international economic arena will be liquidated. And we will be deprived of the opportunity to enjoy our unique geopolitical situation. In a disguised form it is Russia's aspiration to establish a supernational organ which will control customs services. Article 6 reads: "The Contracting Parties shall ensure the unity of control of their customs services..." But this will be later, by order of the governments, without consent from the parliaments. And further: the Contracting Parties "shall arrange a joint control over the circulation of goods and vehicles. The procedure and organization of official control shall be stipulated by special agreements (protocols) between the customs departments of the Contracting Parties." It is clear what the "joint control" means. Belarus will lose the right to independent actions in the sphere of foreign economic activity, the more so, as this will be carried out "on condition of reliable customs control at the external borders." This means that our external borders will be "our own" for Russia as well.

In the "Memorandum on the Expanding and Deepening of Belarusian- Russian Cooperation" this was spelt out even more candidly. Here the task was determined as the security of "effective combined defence" of the external borders of the customs alliance. Following the Agreement on a Customs Alliance Belarus will lose hundreds of millions of dollars, as customs duties will be revoked not only on those goods which Russia sells to Belarus or the other way round, but also on those which Russia sells to a third country and shifts across the territory of Belarus. The scale of external export is incomparable between Belarus and Russia. Nevertheless, the Russian Federation as the deciding side, concerned for its interests, took the opportunity to include a note in the "Memorandum on the Expanding and Deepening of Belarusian-Russian Cooperation" which read, "supplying fuel to the Republic of Belarus will become more comfortable if it takes active steps to liquidate its debts for fuel supplies from the Russian Federation." As they say, friendship is friendship, but money is different.

The agreement on the customs alliance is so beneficial for Russia and so damaging for Belarus that Russia agreed to the following: "the present agreement will be temporarily applied from the moment of signing and will come into force on the date both sides exchange notifications that all the necessary internal state procedures have been fulfilled." As apparent, Belarus will lose all sovereignty and independence if the customs agreement is ratified.

Opposition Discusses Current Russian Issues

LD2601193295 Moscow INTERFAX in English 1712 GMT 26 Jan 95

[FBIS Transcribed Text] Minsk, Jan 26 (INTERFAX-WEST)—International economic and political sanctions against Russia for its military operation in Chechnya "will fully apply to Belarus" which signed a protocol on free trade with Russia. This opinion was voiced by the leader of the Belarussian Popular Front, Zenon Pozniak, at a Thursday news conference in Minsk.

The opposition group in parliament declared that such treaties can result in the disappearance of Belarus as a subject of international law not just an economic entity

In the opinion of the head of the shadow cabinet Vladimir Zablotskiy parties to such agreements are as equal as a snake and a rabbit and their relationship will deprive Belarus of its sovereignty and economic independence.

In his opinion there can be no equal treaty between two countries in one of which (Belarus) the per capita GNP is $9.2 a month and in the other (Russia) - $120.

Official on Foreign Economic Priorities

WS2601115595 Minsk BELAPAN in English '800 GMT 25 Jan 95

[FBIS Transcribed Text] [no dateline as received] "Cooperation with our neighbors is the top priority of the foreign economic activity of Belarus," Mikhail

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Marinich, Belarus' minister for foreign economic relations, declared at a press conference on 25 January. He referred to the recent meetings of the Belarusian leadership with representatives of Ukraine, Poland, Lithuania, and Latvia. Mr. Marinich gave brief commentaries on each of them. In particular, he stressed the importance of the Belarusian-Ukrainian agreement promoting the creation of a most-favored-nation regime. According to the agreement, Belarus will make centralized purchases of coal, wheat, and vegetable oil, Ukraine will buy potash fertilizers and wood piers for coal-mines. The document also envisages a reduction in customs duties. A reduction in transit duties, and the development of mutually beneficial trade were subjects of the negotiations of Mikhail Chyhir with the Lithuanian leadership during his visit to Lithuania. They reached an agreement about a wider use of the Klaipeda sea port by Belarus, as well as about the establishment of a bilateral commission which would study the possibility of increasing the export potentials of the two countries. Mikhail Marinich dwelt on the signing of a program of cooperation between the Ministries of Industry of Belarus and Poland. He emphasized Poland's interest in cooperation with Belarusian oil-processing enterprises. "For the first time we managed to reach a positive balance in trade with Poland, and commodity turnover in 1994 totalled $300 million, which is much higher than before," the minister said. At the same time Belarus failed to persuade the Polish side to reduce the import duty on Belarus-produced refrigerators, TV-sets, and some other goods. Mikhail Marinich called the joint communique, which was signed on 23 January in the course of the one-day visit of a Belarusian delegation to Latvia, very important. The communique envisages Belarus' intensive use of the sea ports in Riga and Ventspils. The problems of customs duties and tariffs were also raised during the negotiations. Commenting on the general foreign economic activities, the minister pointed out that Belarus had not yet managed to enter the markets where its products had been in popular demand in Soviet times. Taking this into account, the ministry is working on a draft edict of the president on the state encouragement and coordination of foreign economic activities. The document, in particular, envisages the expansion of the network of Belarusian trade representative offices abroad, establishment of trade houses, arrangement of permanent national exhibitions, as well as participation of the ministry in commercial bargains with a view to accumulate resources for the intensification of its activity. The ministry has already submitted the draft edict for consideration by the Cabinet of Ministers.

Kastenka Announces Armed Forces Cuts

LD2601211695 Moscow INTERFAX in English 1937 GMT 26 Jan 95

[FBIS Transcribed Text] Minsk, Jan 26 (INTERFAX-WEST)—Belarus' armed forces include 96,000 servicemen and 64,000 employees, Belarusian Defense Minister Anatol Kastenka told a news conference in Minsk Thursday.

Kastenka said the army reform program envisioned laying off about 65,000 people.

The republic still has two missile regiments equipped with 36 launchers and no toxic substances, he added.

Kastenka remarked that "the present army is a burden on the state budget," and it was decided to preserve only three corps, stationed in Grodno, Borisov and Bobruisk.

Kastenka intends to relieve the army from "functions anomalous with it and to withdraw 15 military plants, several military hospitals, 59 housing departments, 140 military commissariats and about a dozen military faculties in higher education establishments from the Defense Ministry's jurisdiction." The ministry intends to write off 580 military towns, 465 hectares of land and 365 hectares of forest in favor of the local authorities.

Kastenka said his ministry planned to create a national program for military education" by establishing a Suvorov military school, two military colleges, military academy, air college and military faculty at the State Medical Institute in Minsk.

U.S. Funds To Be Used To Remove Rocket Fuel

WS2601125495 Minsk BELAPAN in English 1800 GMT 25 Jan 95

[FBIS Transcribed Text] [no dateline as received] The discussion of the whole range of projects for cooperation between the Republic of Belarus and the United States under the Nunn-Lugar program, the inspection of the purpose-oriented use of the resources that were given by the U.S. Government for the implementation of six agreements in this field, as well as the discussion of the projects of subsequent cooperation, were the objectives of the visit of the delegation of the U.S. Department of Defense, headed by Gloria Duffy, deputy assistant of the U.S. Secretary of Defense, which were declared at a press conference. According to Mrs. Duffy, during official meetings with representatives of the Belarusian Government and a number of ministries, the delegation expressed the U.S. Government's opinion about the subsequent cooperation in the field of disarmament, and attached greater importance to defense conversion and housing construction for the former servicemen demobilized from strategic missile forces. In the course of the talks, the sides came to the conclusion that an agreement was urgently necessary on the utilization of rocket propellant, of which about 15,000 tonnes will be left by Russian military troops after their withdrawal. For this purpose and for the liquidation of immobile constructions for the stationing of the launching pads of the SS-25 missiles, the U.S. Government plans to allot 6 million U.S. dollars. However, according to Major General Yuriy Partnow, assistant of the Belarusian minister of defense for the realization of military policy, the liquidation of these immobile constructions is the duty of the Russian Federation which is withdrawing its troops from Belarus. Eventually, the U.S. experts agreed that $6

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million will be used in the first instance for the utilization of rocket propellant. Mrs. Duffy expressed her content that the resources the U.S. Government had given under disarmament agreements had been used efficiently, and assured the Belarusian side that the U.S. Congress would continue participating in the financing of arrangements carried out in Belarus in this field.

Conventional Arms Reduction Enters 'Third Stage'

WS2601100795 Minsk Radio Minsk Network in Belarusian 0400 GMT 26 Jan 95

[FBIS Translated Text] The implementation of the Conventional Armed Forces in Europe Treaty has entered its subsequent phase. In the course of the third stage of reductions, Belarus will continue to liquidate military equipment as provided by the treaty. The process of reductions, as earlier, will be closely observed by the states being party to the treaty.

Minsk, Vilnius Discuss Nuclear Safety Issues

LD2501191595 Vilnius Radio Vilnius Network in Lithuanian 1700 GMT 25 Jan 95

[Names and titles as received]

[FBIS Translated Text] Ambassador Virgilijus Bulovas, head of the Lithuanian group for negotiations with the CIS countries, discussed issues concerning the improvement of the safety of nuclear energy in Minsk today.

The Lithuanian Embassy in Minsk announced that Virgilijus Bulovas met Zavadskoy, deputy chairman of the commission of international affairs and foreign policy relations of the Belorussian Supreme Soviet; Viktar Sheyman, state secretary of the Security Council; (Rodevich), deputy minister of extraordinary situations and problems from the consequences of the Chernobyl catastrophe; [name indistinct], deputy chairman of the committee for the supervision of safe work in nuclear energy of this ministry.

The possibility of Belarus joining the Vienna convention on civil responsibility for nuclear damage was discussed during the meetings. It was stated that it was essential to conclude bilateral agreements defining the order of an effective exchange of corresponding information and the principles of cooperation in the sphere of nuclear energy.

Official Provides Oil Spill Details

WS2701112695 Minsk Radio Minsk Network in Belarusian 0800 GMT 27 Jan 95

[FBIS Translated Text] The public has been provided with details of an accident, which recently occurred at an oil pipeline in (?Pinsk) rayon. According to Halkowski, head of the Interoblast Technical Gas Inspection, oil leakage occurred because of a crack in a pipe weld, which was formed after a 32-year period of the pipeline's operation. Around 80 tonnes of oil were spilt; 75 tonnes of oil were collected again. The loss amounted to 7.5 million rubles.

Moldova

Poll Shows 52.4% of People 'Absolutely Dissatisfied'

AU2601122395 Chisinau INFOTAG in English 1923 GMT 25 Jan 95

[FBIS Transcribed Text] Chisinau INFOTAG, 25/1/1995—Over half of the Moldovan population said they could not tolerate their disastrous situation any more, 43.3 percent said their life was hard but not yet unbearable, and only 6.3 believe things are not so bad, and they can live.

Such are the results of an opinion poll conducted by Opinia, an independent sociological service. As its director, Tudor Danii, said, 52.4 percent of the people are absolutely dissatisfied about the life they live, 44.5 percent are only partly satisfied, and as little as 3.1 percent seem to be quite happy.

Eighty-two percent of the Moldovan citizens believe life in previous years was much better, 13.2 percent disagree with that statement, and 4.5 percent are uncertain.

79.8 percent of the people have no confidence in tomorrow, while only 20.2 percent answered positively.

Opinia polled 1,323 random people in 22 localities across Moldova, except in the Dniester region.

Opposition Establishes Alliance Bloc Before Local Elections

AU2601083495 Chisinau BASAPRESS in English 2150 GMT 24 Jan 95

[FBIS Transcribed Text] Chisinau, BASAPRESS, 24/1/1995—At the United Democratic Congress's initiative, nine Moldovan opposition parties announced the creation of the bloc "Democratic Force Alliance" (DFA) for the April 16 local elections. At a press conference, the leaders of the nine political parties—Free Peasants Alliance (FPA), United Democratic Congress (UDC), Christian Democratic Women's League (CDWL), National Liberal Party (NLP) which comprise the Peasants and Intellectuals Bloc as well as the Party of Liberal Democracy, Ecologist Party, Reform Party, Christian Democratic Peasants' Party and Teachers' League—signed a joint declaration on constitution of the alliance in the presence of reporters. The parties proved that they are aware of the fateful experience in the February elections in which the excessive fragmentation of electorate unloyal to the current ruling party favored the two parties who gained the majority of seats, according to opposition experts.

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Of the DEA parties, only those comprising the Peasants and Intellectuals Bloc won 11 mandates to the Parliament. The others and namely the Reform Party gained 3.3 percent of votes, Democratic Party of Labor, currently named the Party of Liberal Democracy, 2.7 percent, etc. The FPCD [Christian-Democratic Popular Front of Moldova] did not sign the joint declaration. Two weeks ago, it made public its decision of nonparticipation in the April 16 elections arguing that the PDAM [Democratic Agrarian Party of Moldova] arranged "as it pleased" the local elections law. "PDAM, the ruling party, has already won, beforehand, the local elections, since the law laid at their basis was passed in a variant which by all means ensures current rulers' victory," stated Sergiu Burca, FPCD executive committee chairman. Several articles on public administration stipulating that the parliament appoints mayors and distinct executives at Government's proposal and the Parliament might halt the activity of local councils, dismiss district executives and mayors at the proposal of the same Government, forced the FPCD not to participate in the elections. UDC leaders, FPCD's opposition fellowmates, believe that they cannot afford to boycott the elections though they do not have less reservations about the laws. The DFA considers justified its participation as [sentence illegible] parties which comprise the Peasants and Intellectuals Bloc" and this people should not be disappointed. The new alliance is also open for other political parties especially for the Social Democrats and Moldovan Women's Association. The DEA intends to create a situation in which opposition sympathizers will vote for a single force, whereas the other part of electorate will be divided in three—Agrarians, Socialists and Communists.

This outcome seemed to be taken into account by the FPCD which did not call on its followers to boycott elections. At the same time, delimitation of interests within the majority parties has become more evident. Over the last few months leaders of the Socialist Party and Unitate-Edinstvo Movement criticized the ruling party and expressed dissatisfaction regarding Moldovan communists' decisions not to ally with any parties. Valentin Krylov, one of the Moldovan Socialist leaders, stated that "the communists' decision was not analyzed well, the electorate will have to choose between two political parties with programs and tasks which do not differ essentially". DFA's hope that an electoral confrontation between the Socialists and Agrarians will be fatal has no solid support Vladimir Solonari, one of the most influential leader of the Socialist Faction, stated that the policy promoted by the Sangheli Government, though not suitable for a socialist party, is justifiable under the conditions imposed by the IMF and World Bank on one hand and Russia on the other. Analysts interpreted this reconciling gesture on behalf of Solonari as a Christmas postcard in which the Socialists assure the ruling party that the current Parliament's vitality is more important than the success in the local elections.

Law on Local Elections Published

AU2501101695 Chisinau INFOTAG in English 2140 GMT 23 Jan 95

[FBIS Transcribed Text] Chisinau, INFOTAG, 23/1/1995—The local elections scheduled for April 16 are open for candidates from parties, public and political organizations and electoral blocs, as well as for independent candidates. Such a procedure is envisaged by the "Law on Local Elections" that came into force upon having been published in MONITORUL OFICIAL. By the law, local elections are held once in four years. The suffrage is granted to Moldovan citizens aged 18 and older. The right to be elected councillor (local deputy) is given to individuals aged 21 and older. A mayor cannot be younger than 25, and he or she must have at least 5 years of permanent residence in city, town or village in question. To conduct the elections, the Central Election Commission (CEC), regional and district election commission shall be established. The CEC shall consist of seven judges from the Supreme Court and four representatives from the Prosecutor General's Office. Parties, public and political organizations and electoral blocs have a right to delegate a representative to the CEC, who shall have a deliberative vote. Voting results shall be fixed in protocols of district election commissions. If half or less registered electors take part in voting, the elections shall be announced invalid, with a repeated voting to be organized within two weeks. If the second session also appears invalid, there shall be no third voting, and the Moldovan president shall decree to appoint an executive organ, headed by a mayor, for the territory in question. All election expenses shall be covered by the State. Parties, public and political organizations, electoral blocs, and independent candidates have a right to establish election funds to be replenished by their own financial means, non-interest state credits, physical and juridical persons' donations. The election campaign cannot be financed with money received from abroad. The legitimacy of utilizing various funds shall be controlled by the Finance Ministry.

Gagauz Forces Prepare for People's Assembly Elections

AU2601083595 Chisinau BASAPRESS in English 2150 GMT 24 Jan 95

[FBIS Transcribed Text] Comrat, BASAPRESS, 24/1/1995—Today the bureau of the Comrat communist organization examined the issue of communists' participation in the March 5 referendum and following elections to the Gagauz Peoples' Assembly. Vasile Neikovchin, communists' district secretary, told BASAPRESS that it seems that the electoral competition will be fierce due to the existence of many internal and external forces interested in the Gagauzians' splitting up. Neikovchin referred to the local opposition represented by the Gagauz People's Party as well as the "destructive actions by the parties of unionist orientation from Chisinau." In his capacity of press secretary of Gagauz

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Parliament Presidium Neikovchin denied the information regarding the pressures exerted on the population in the Bulgarian and Ukrainian villages in the South of Moldova by armed people of the Gagauz guard to force them to participate in the referendum. This information was broadcasted yesterday, January 23, by the Moldovan TV "The Gagauz leadership is sure of the participation of the population in 26 Gagauz villages with a majority Gagauz population in the March 5 referendum. It is supposed that the referendum will take place in approximately 15 localities of the districts of Basarabeasca, Taraclia and Comrat. The condition is that at least two thirds of the population will pronounce itself in favor of the referendum," said Neikovchin.

Prime Minister Views Solutions To 'Deep Crisis' in Economy

LD2601202495 Moscow INTERFAX in English 1752 GMT 26 Jan 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] Moldova's industry, agriculture, and other branches of national economy are in a deep crisis now, declared Prime Minister Andrei Sangheli. On Wednesday in Chisinau he addressed sitting of the Cabinet of Ministers which discussed results of the fulfillment of the governmental program for 1994-97.

In Sangheli's words, industrial recession in the furniture and processing industries exceeds 50 percent compared with 1993. Number of live-stock is catastrophically reduced, production of traditional for Moldova agricultural products, tobacco, vegetable oil, beet, and other products falls.

Sangheli sees the only way out of the crisis in speeding up economic reforms, privatization, more active involvement of foreign investors and improvement of tax system in the republic.

According to local observers, cooperation of Moldova's government and business structures with international financial organizations and banks can bring a definite contribution in order to improve the situation. Among them are the European Bank for Reconstruction and Development (EBRD) which, as Interfax has learned, will probably grant a 20-million dollar credit to one of the largest Moldovan banks, Moldova-Agroindbank. Representatives of the Moldovan bank reported in an interview with Interfax that before late January the Directors Board of the EBRD, which has approved opening of a credit line in the first quarter of 1995, is expected to adopt its final decision on this loan. Interfax has learned that the credit will be allocated for 20 years with a 12-percent interest rate.

If Moldova-Agroindbank receives this loan it will allocate long- term credits to enterprises of the agricultural complex, to instrument-making industry, and to privatized enterprises (for 8-15 years).

IF Note: Earlier, in 1994, the EBRD allocated $30 million to Moldova to develop wine-making industry. The republic's National Bank was commissioned to distribute this credit.

Chisinau Reportedly Faces 'Latent Energy Crisis'

AU2701082895 Chisinau BASAPRESS in English 1950 GMT 25 Jan 95

[FBIS Transcribed Text] Chisinau, BASAPRESS, 25/1/1995—Moldova is facing a latent energy crisis which might aggravate with the intervention of an accidental factor. Vsevolod Codita, "Moldenergo" Association deputy director, stated that the situation in the energy sector has worsened especially after Ukraine and Russia suspended coal and fuel oil exports and the Russian gas company "Gazprom" cut by 50 percent gas deliveries to Moldova. According to some official statements, thus, suppliers tried to compel Moldova to reimburse its enormous debts. The warning systematically launched by the Russian gas company and other suppliers seemed to become something usual. The Executive Committee of the National Energy Council stated in an appeal that "given Moldova's low ability to repay its debts, Russia tries to gain control over important Moldovan assets." Upon his return from Moscow last week Vice Premier Valentin Cunev stated that "Gazprom" will resume gas deliveries to Moldova at full capacity and will annul the penalties at Moldova's request. Specialists say that the penalties amount to $50 million. During the negotiations with Kiev officials, it was "agreed upon the conditions of coal deliveries to Moldova for January-February." However, the problem of repayment of debts is still acute and will persist until funds are secured for full or partial repayment. In the opinion of some experts, the Moldovan Government has not managed to set up a mechanism for the repayment of debts, therefore gas deliveries might be cut off any time. Moldova owes more than 1 billion lei ($250 million) to "Gazprom"; this figure is increasing each day by about $700,000. At the same time, industrial and private consumers owe significantly to energy producers. If fuel supplies do not improve in the nearest future, Moldova will remain without electricity, said Codita. Grigori Zhelyapov, "Dnestrenergo" Association director general mentioned that "Dniester faces an energy blockade," and the Dnestrovsk power station which produces 85 percent of all electricity consumed in Moldova faces lacks fuel and this threatens its functioning. Meanwhile, the Chisinau Government applied a schedule for electricity supply daily cutting it off for several hours. These action can have effects only in the short-run, but this does not free the government from the obligation to make public its intentions for the long-run.

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Government Meeting Examines 1994-97 Activity Program

AU2701083195 Chisinau BASAPRESS in English 1950 GMT 25 Jan 95

[FBIS Transcribed Text] Chisinau, BASAPRESS, 24/1/1995—Today, the Moldovan Government held a meeting to discuss the realization of the program on governmental activity for 1994-97. Andrei Sangheli, Moldovan Premier, stated that the Government "undertook a series of measures oriented toward reformation and simulation of production, insurance of energy resources and raw materials, speeding up of privatization and structural transformation, and people's social protection." 1994 was extremely unfavorable for Moldova, said Sangheli, emphasizing that the situation worsened in particular after the natural disasters; losses caused by them were evaluated at 1.6 million lei. According to Sangheli, Moldova's debts to suppliers of energy resources is the largest foreign debt amounting to 999 million lei, the debts to internal creditors amounting to 1,176 million lei. In 1994, hard currency reserves increased by $48.5 million. By October 1, the amount of internal credits totaled 517 million lei, of which 49 percent were granted to the agricultural sector and 30 percent for the development of entrepreneurship, said the Moldovan premier. Earlier, Sangheli stated to a local newspaper that of the 25 larger scale economic actions scheduled by the government for the fourth quarter of 1994 only 10 were fully completed.

14th Army Issue Not Included in Council of Europe Document

AU2601082395 Chisinau BASAPRESS in English 2150 GMT 24 Jan 95

[FBIS Transcribed Text] Chisinau, ROMPRES, 24/1/1995—The 14th Army withdrawal from Moldova was not included in the document submitted last week to the Council of Europe by Sergey Filatov, Boris Yeltsin's aide, BASAPRESS learned from Valeriy Zibrov, counselor of the Russian Embassy to Chisinau. The document contains a series of commitments which Russia has to honor to join the Council of Europe, but it does not concern Moldova. During his visit to Moldova this January, Ernst Muhlemann, Council of Europe Parliamentary Assembly rapporteur on Russia, stated at his meeting with President Snegur that a condition for Russia's admittance in the Council of Europe will be the respect for 14th Army withdrawal agreement. A representative of the Moldovan Interior Ministry who mentioned that he is not authorized to comment this divergence told BASAPRESS that he supposes "that the 14th Army withdrawal is not included in the document submitted by Filatov on grounds that Moscow does not accept the idea of foreign monitoring of the Russian troops pullout from Moldova, thus reiterating its position."

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Kazakhstan

Prime Minister Holds Moscow News Conference

LD2701113595 Almaty Kazakh Television Network in Russian 1610 GMT 23 Jan 95

[News conference given in Moscow on 23 January by Prime Minister Akezhan Kazhegeldin and the head of the Kazakh National Bank after the signing of cooperation agreements—recorded]

[FBIS Translated Text] [Kazhegeldin] Good day. I think that the interest of those present at the news conference represents the overall interest of society and all our citizens in what is going on in the CIS area.

If you remember, since the very first days of their work the new membership of the Cabinet of Ministers paid great attention to its integration programs, which fully corresponds with the intentions of the president of the Republic of Kazakhstan. And you know that in 1994 many integration processes on CIS territory aroused many of doubts over the subject of integration, the composition of the countries which would participate in integration, and the prospects, too.

You know that these three months have been so full that every time we came back from Moscow we tried to inform you about what was going on. To start with there was the October CIS summit, then the meeting of prime ministers in December, and finally this visit by our delegation to Moscow to sign 17 documents which deepen relations between Russia and Kazakhstan in the general context of the integration processes that we must all pass through.

You already know the Russian reaction to this document from the press. You can get it from our press service. We have copies of articles from today's leading Moscow newspapers. We think that the reaction is quite an objective one, as it should be.

Telephone calls made today show that the most recent ideas, in particular, have given rise to great interest in many CIS countries. I have had several calls from CIS heads of government and state who asked me about the basis on which we concluded an agreement on deepening integration, whether we could expand the group [of countries involved], and whether we could share the methods for such closer integration with them. We, of course, answered positively. Work on integration will be continued in the next few days of this week in Omsk, where heads of administration of neighboring regions of the Russian Federation and Kazakhstan will meet. Each side will be represented by officials from the leading ministries in the Russian Federation and the Republic of Kazakhstan in order to discuss steps to balance and harmonize the regulatory foundations and working methods of activity of our organizations. This will enable us to create a real single custom area. You understand that a single custom area, a custom union means more real integration that we have had so far.

[Unidentified correspondent] The Baykonur space site is not mentioned in this list of issues.

And here is another question: The excellent news that these agreements have finally been concluded coincides with more actions by the Cossacks. Will the Cossack issue be discussed with Russia at all in the near future—that is, given that we know that there is an idea to adopt a law in parliament, and that a group of deputies has already signed an appeal to the president proposing that such a law be passed? What can you say on this matter?

[Kazhegeldin] On the first question: The Baykonur agreement has been not only signed but ratified, as you will remember. Therefore that document is not and should not be included here. It is the subject of a separate agreement. It is a settled issue, and no one is arguing about it any more. The head of administration [of the Baykonur space site] has been appointed jointly by the two presidents. He has gotten down to work. I think Baykonur must function and do what it is supposed to do. I think that the political talks on Baykonur have already ended.

As for your second question, I think the Cossack issue is the affair of the sovereign Republic of Kazakhstan. If the legislation of the Republic of Kazakhstan allows the Cossacks to exist in some form then they will exist, and if it does not they will not exist.

The entire question is about what the Cossacks are, how we approach this issue. I do not recall that there is such an ethnic or national group. Second, today the Cossack movement is being reanimated with particular eagerness by those who once strangled it. Therefore, I think that our society will sort out for itself how it [the Cossack movement] is to exist and live. I would not want to make this a politicized issue.

[Unidentified correspondent] The joint declaration says that Kazakhstan and Russia are to form unified armed forces. Could you give us some more details on this?

[Kazhegeldin] If you recall, throughout the existence of the CIS we have been talking about unified armed forces. Moreover, we seemed to have them. And their commander, Marshal Shaposhnikov, is still alive, in good health, and active.

But at the same time we have to understand that if the CIS as a structure is tougher than just a declaration on unity, it must also have unified armed forces. We did not object to their presence here, but we wanted them to act within the framework of the law and territory which we, the legislators and governments of the states forming this union, would give them. There is no acute problem here. What is involved is the sphere of cooperation, the way the institutions for cooperation will look, and the funding needed for all of this.

It is the general logic of the recent documents. They fit very well with the agreements on the Russian forces' use of military ranges located on Kazakhstan territory.

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As you will remember, the Republic of Kazakhstan makes no claims for payments for any sites except for Baykonur, which is a special site; we took the step of a lease payment in order to maintain it.

[Unidentified correspondent speaking in Kazakh] Very serious military issues have been touched on. Will we gain anything from this, or will everything remain as it is?

[Kazhegeldin speaking in Kazakh] Your questions are certainly relevant. If we want to achieve independence and sovereignty we have to be strong and powerful. And with this as our starting point I see no harm in our agreements, but only benefit for our country.

Nazarbayev on Eurasian Union, CIS Future

954F0993A Moscow MOSKOVSKIYE NOVOSTI in Russian No 3, 15-22 Jan 95 p 10

[Interview with President Nursultan Nazarbayev by correspondent Viktor Kiyanitsa; place and date not given: "This Difficult Subject—the Chechen Crisis"]

[FBIS Translated Text] [Kiyanitsa] Three years ago you became the first popularly elected president of Kazakhstan. And something else happened almost simultaneously—the signing of the Belovezha agreements and the disintegration of the Union. How did you perceive it then and how do you evaluate it now?

[Nazarbayev] As distinct from many of my colleagues, I have been and remain a consistent supporter of integration. Mine has always been a clear position—it is essential not only to recognize and declare but also to engage the colossal potential of economic, cultural, and human relations in the Eurasian space. But history does not know the subjunctive mood. It is only in analytical scenarios that it is permissible to argue in the style: "What if the USSR had not been demolished?" In practical politics people operate mainly in the categories of real, not conditional, time, in the main. The disintegration of the USSR means a complex set of objective historical and personality factors. The great German sociologist Max Weber once seriously asked whether there would have been World War II had Archduke Ferdinand not been assassinated in Sarajevo. The disintegration of the USSR undoubtedly has its inner logic. But the problem is now in a different key. First, everyone recognizes the complexities and difficulties of an autonomous surmounting of the crisis. Second, we are talking about the relations of politically independent states.

[Kiyanitsa] The Commonwealth of Independent States was created at that time in Almaty, with your active participation. You described it at that time as a "form of civilized divorce." Are you not now disappointed in the sense that "the mountain has given birth to a mouse?"

[Nazarbayev] The Commonwealth of Independent States was created, for all that, in Belovezha. As far as the situation that has taken shape since the Belovezha agreements is concerned, it has been very complex. In December 1991 we faced the potential threat of a breakup of the entire post-Soviet space along the lines of the Slav and Turkic republics, Christians and Muslims. It was on this basis that actions were pursued to preserve the manageability of the processes in this vast space. We took account of the global aspects of this decision also, incidentally. A colossal arc of instability could have had critical consequences for all of Asia and Europe.

[Kiyanitsa] Nonetheless, you have all these years voiced dissatisfaction with the amorphousness of the CIS. And the meeting planned for December was canceled. What was the reason for this?

[Nazarbayev] Concerning postponements—if there are valid reasons, why not accommodate them. And on this occasion there are valid reasons: The documents had not been prepared, and this was, besides, connected with the tragic events in Chechnya. I will say frankly that Kazakhstanis cannot fail to be concerned that blood is being spilled on the territory of a friendly state. As before, the impact of events in Russia on its neighbors is great. Consider also the fact that many Chechens live among us and that they are all anxious for the fate of near ones and dear ones. People wish for the speediest end to the bloodshed.

While viewing the Chechen problem in the context of Russia's territorial integrity, I consider a search for peaceful paths of a settlement essential and possible, nonetheless. I spoke about this on New Year's Eve with Boris Nikolayevich Yeltsin. I permitted myself to express concern at the protracted conflict on Russian soil. Taking as a basis the opinion of the community and the mood of the thousands of Chechens living in Kazakhstan included. And I recently had a lengthy telephone conversation with Viktor Stepanovich Chernomyrdin. I offered to send humanitarian assistance for the civilian population of Chechnya. Food and medicine have now been dispatched from Kazakhstan. I plan to meet with the Russian leaders, and this difficult subject—the Chechen crisis—will be discussed in our conversation. I am prepared personally to make every effort for the speediest settlement of the conflict.

[Kiyanitsa] All these years you have been a consistent sponsor of integration, which has gained you the reputation of a supporter of a "new Union," just about. Was this required by your political image or is it a question of some inner requirement?

[Nazarbayev] It is not a problem of my image or my inner requirement. There are in politics clear imperatives which you may accept or reject, but they continue to exist, regardless of personal likes or dislikes. There is such an imperative in the modern world—regional integration. The whole world today is first and foremost an aggregate of integration blocs. No one, other than utterly archaic isolationists, denies this. It is wholly a question of how to integrate and with whom. I am convinced that

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Eurasian integration is of great importance for the post-Soviet states. And it is not so much a question of historical and cultural realities even as of exclusively pragmatic factors: economic geography, transport accessibility, unity of infrastructural system, relatively similar production engineering base, and so forth. It is time to rid ourselves of "romantic integration" in the developed integration blocs of East and West. It is time to understand that no one needs us there.

[Kiyanitsa] At the last meeting of heads of the CIS you presented the latest initiative—the EAS [Eurasian Union]. Many people deemed it untimely, some saw it as your personal failure, when you were left among your colleagues practically on your own. Do you intend to return to this idea at the coming meeting or will you put if off "until better times," when public opinion and leaders have "matured"?

[Nazarbayev] I would remind you that the documents of the Moscow summit point to the need for use to be made of the valuable ideas of the EAS project for a further intensification of integration processes in the CIS. It is not the case that this project or the other is accepted immediately 100 percent in politics. I do not believe that such a large-scale project could have been accepted immediately but its positive significance is already great enough. First, the CIS has finally gotten moving—an Interstate Economic Committee (one of the pivotal ideas of the EAS) has finally been formed. Questions of interparliamentary cooperation are coming to be analyzed more actively. In accordance with the EAS project, this is for the future a most important issue: the convergence of legislation primarily in the economic sphere. A set of questions of specific military-political cooperation has been discussed at expert level. A political document in development of the ideas of the EAS—a peace and stability pact—will be prepared for the Almaty meeting.

Second, a number of elements of the EAS are being realized at the bilateral relations level also. Specifically, we are hoping in the very near future for a concerted decision on a simplified procedure of the change and acquisition of citizenship between Kazakhstan and Russia. Third, the EAS project has exerted great influence on the mass consciousness on the scale of the entire CIS. No other foreign policy document in the CIS has, perhaps, throughout its existence evoked such extensive discussion.

[Kiyanitsa] In the years of your presidency Kazakhstan has acquired all the signs of a sovereign state and the final attribute of statehood—a national currency being introduced a year ago. What are the results of the first year of "full and final" sovereignty?

[Nazarbayev] It has already been said that Kazakhstan never previously controlled its economy in full. And this assertion was correct up to this year. Now we have this experience. And although it has begun not entirely successfully—the inflation indicators have deteriorated, and the decline in production has continued—signs of positive change in the direction of financial stabilization are already visible, nonetheless. Having signed the stand-bank [as published] agreement with the International Monetary Fund, we are adhering to all the necessary conditions. This obligation is, naturally, stimulating foreign investors. As of today agreements have already been signed on official financial assistance with the IMF, the World Bank, the European Bank for Reconstruction and Development, the Asian Development Bank, and the Government of Japan on the allocation of long-term loans on favorable terms (totaling $910 million altogether). Eighty-eight individual credit agreements for a sum in excess of $1.5 billion have been signed.

Of course, all transformations involve certain hardships for the population. Nonetheless, the level of the average wage, in terms of which we have established ourselves in the CIS in second place behind Russia, has been rising steadily here as of September. By the start of 1995 this indicator will be over $70. I myself recently appealed to parliament for the immediate discussion and adoption of most urgent legislative acts determining the legal base of economic relationships and regulating questions of ownership, investments, bankruptcy, mortgages, and so forth.

Residence Rules Tightened for CIS Citizens

LD2701110295 Almaty Kazakh Radio Network in Russian 0400 GMT 27 Jan 95

[FBIS Translated Text] A study of the crime situation last year which was carried out in Almaty, capital of the Republic of Kazakhstan, shows that it is considerably influenced by the uncontrolled flow of people without fixed employment coming from other parts of the CIS.

Practice shows that imposing restrictions on foreigners' entering the capitals of the Baltic states and Moscow had significantly helped to reduce crime and strengthen public order.

In view of this, the head of Almaty city administration issued a resolution yesterday on special procedures effective from 30 January for residence in Almaty of persons permanently residing outside Kazakhstan. Registration is to be compulsory for those persons visiting the city who reside permanently outside the Republic of Kazakhstan and who require no visa to enter Kazakhstan. Registration is compulsory for those who wish to stay in Almaty for more than 24 hours.

Almaty To Enter European Market on 'Equal Basis'

LD2601213195 Moscow INTERFAX in English 1937 GMT 26 Jan 95

[FBIS Transcribed Text] Almaty, Jan 26 (INTERFAX)—Kazakhstan has received the opportunity to enter the European market on an equal basis, Kazakhstan's Economic Minister Altay Tileuberdin declared at a press conference on Thursday [26 January] in Almaty.

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On January 24 in Brussels, Kazakh President Nursultan Nazarbayev signed agreements on partnership and cooperation with the European Union, European Economic Community, Community on Atomic Energy, and European Association of Coal and Steel, and an interim agreement on trade.

Tleuberdin pointed out that in accordance with the interim agreement on trade "Kazakhstan is permitted to the European economic system" and the republic can be an equal partner to all member-states of the European Union.

He described "Kazakhstan's equality with respect to goods' export-import" as a principally important aspect fixed in the documents.

In an interview with Interfax Tleuberdin indicated that the agreement between Kazakhstan and European Union "does not stipulate" quotas and restrictions in contrast to the agreement signed by Russia. Tleuberdin said that "discriminating norms" with respect to import of workers from Kazakhstan "have been removed."

Tleuberdin underlined that the signed documents create appropriate conditions for companies and firms which wish to work in Kazakhstan and this, in its turn, "undoubtedly has a certain importance for the republic."

Akayev Relying on 'Wisdom' of Electorate

LD2601201495 Moscow INTERFAX in English 1752 GMT 26 Jan 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] Kyrgyzstan is ahead of numerous developed countries in the number of candidates running for parliament, President Askar Akayev said on the national television. According to Akayev, there are more than 1000 candidates. The elections to the new bicameral parliament are scheduled for February 5.

Akayev said that as many runoffs would be held in every constituency as needed for some candidate to win the majority. He denied reports that the lists of MPs are already prepared.

He confirmed that several members of his staff run for parliament, saying that the president must be represented there.

Akayev expressed the hope that the new parliament would be actively engaged in law-making so as to avoid new political crises between branches of authority or inside parliament itself.

He called for the setting up or a disciplinary commission in parliament. Another way to fight corruption, Akayev said, is for members of parliament to voluntarily lift their own immunity.

He said that he relied on the wisdom of the people and hoped that the people will elect good men and women rather than those who need parliamentary immunity to avoid criminal prosecution.

Akayev expressed concern that the electoral system does not provide for fair representation for ethnic minorities or women. Because the former Supreme Soviet rejected the proposal that these groups have their own quotas, Akayev called on the electorate "to give special consideration to candidates of ethnic minorities and women."

Miners Extend Strike, Note Disinformation

954F1054A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 25 Jan 95 p 1

[Article by Vera Galaktionova, KAZAKHSTANSKAYA PRAVDA: "Miners' Strike Enters New Phase"]

[FBIS Translated Text] The mines of the Karaganda coal basin are standing idle. A resolution was adopted at the special 32d conference of the Karaganda territorial council of the coal miner trade union to extend the strike. In the decrees that were adopted, the conference participants demanded that the deputies of the Supreme Council urgently examine the proposals of the coal miners on the tax system, and they also expressed a lack of confidence in Minister of Power Engineering and Coal Industry V. Karmakov.

Then the miners sent an appeal to international organizations of coal miners for material and moral support for the striking regions of Kazakhstan.

The miners especially noted the disinformation coming from the screen and newspaper columns that have as their purpose the ascription of a mellow character to the strike. Claiming that he did not say anything of the kind, V. Telnoy, the economics director of the Karagandaugol PO [production association], who is alleged to have said on 16 January in Almaty at a meeting with journalists that in the days of unrest the mining of coal in the association "totaled 80 percent of the established average daily level; that is, there is no reason for panic," and that "the first [several words illegible] and Russian mass media concerning the protest actions contained clearly overstated information about the number of those ready to strike or who are already striking."

"The tape recorders that the journalists had could not record that which I did not say and which does not correspond to reality," V. Telnoy emphasized.

The plenum of the central committee of the miners' trade union of the republic, which was held in Karaganda on 22 January, took place with the participation of representatives of the Ekibastuz region, in which 20 percent of the wage for November was issued to the supply services and 50 percent—to the extractors. The last fact did not influence a decision of the plenum to stop all types of coal deliveries completely until the adoption by the government of urgent and fundamental

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measures for the stabilization of the industry. Thus, the strike of the Kazakhstan miners has entered a new and tougher phase.

The Karaganda metallurgical combine, which was put into a pre-emergency mode of work, was forced to increase the period of coal coking in order to maintain the life of the coking batteries. The ferrous metallurgy giant has incurred enormous losses associated with the sharp reduction in the production of steel and rolled metal. After not receiving 50,288 tonnes of coal since the beginning of the strike, the Karmetkombinat today is on the brink of a shutdown. In the words of Andrey Burov, deputy chief of the department of raw materials and fuel, on 23 January, the KMK [Karaganda Metallurgical Combine] had a coal reserve in its stockpiles capable of guaranteeing the operation of the metallurgical facility for only 24 hours. Karmetkombinat has never yet been in such a critical situation. An underestimation of the seriousness of the situation caused by the miners' strike could lead to an irreversible process in the economy of the republic as early as the next few days.

Colonel Explores Prospects for Army Reform

95UM0214A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 24 Jan 95 p 2

[Article by Guards Colonel Docay Abraimov, deputy formation commander for educational and sociolegal work and candidate of historical sciences, under the rubric "Taking Issue": "Military Reform: 'Forward! March!'"]

[FBIS Translated Text] Kapchagay—In its 25 December 1994 issue KAZAKHSTANSKAYA PRAVDA published an article by Colonel (Reserve) Leonid Bakayev, candidate of historical science, entitled "How To Build a Military." I would like to share my thoughts on the problems raised in it.

Frankly, I expected to find under such a promising title answers to perturbing military, and not only military, questions regarding Kazakhstan's future military. Alas, although L. Bakayev mentions the concept he developed on a commission of the Kazakh Institute of Strategic Studies on reforming the armed forces of our republic, the article "How To Build a Military" by itself represents no more than a rendition of the well-known decree of the president of Kazakhstan "On Measures To Strengthen Military Discipline and Strengthen Suppression of Law-Breaking in the Armed Forces of the Republic of Kazakhstan."

Yes, the author speaks of some problems, without the resolution of which reform is hard to achieve. Among them are creating a mechanism of timely and full financing of the military; decent pay for officers; developing a concept of educational and sociolegal reform in the Armed Forces; creating a military police; and others. But these are truisms! In other words, the author tells us that a house must have a foundation, walls, a roof, and so on. Is there anyone who does not know this? The crux of the problem is to decide how to build it. What kind of foundation, walls, and roof should it have? That is, what kind of military do we want to build? How do we build it? There is no answer to this seemingly logical question in the article "How To Build a Military." And the demand for decent pay is pure populism.

Higher salaries alone are not going to solve the problem of professionalism in the military. You may pay a cobbler an academician's salary, but he will remain a cobbler. What is needed is a comprehensive, thought-through system of measures aimed at raising professionalism in the military.

We should collectively contemplate the following questions: What kind of military can Kazakhstan afford in 1995-1996? What kind of military will we need in the year 2000? What kind of armed forces will we have after that? And only on the basis of in-depth scientific research in this direction should we, in my opinion, tackle the question of financing. The principle, in my opinion, should be as follows: First we substantiate the optimum structure of the armed forces, and then on the basis of this substantiation we ask for money—not the other way around.

Right now, God willing, if I am not mistaken, the situation is this: We were given 4 billion tenge on paper—we do not know how much we will actually get—and we are left to our own devices! This necessitates manipulations akin those with Aldar-Kose's torn robe. The money appropriated does not cover all the holes in the military. I consider such practice faulty and moreover, harmful, because this approach undermines units' battle-worthiness, while delays in pay caused by the shortage of money dampen the spirits and demoralizes the troops.

At this stage it is necessary to define priorities. It is better to have fewer troops but a full combat training program than pay salaries to absolutely everyone—pilots who do not fly, mechanics who do not drive combat vehicles, and so on.

We need to consider the question of building Kazakhstan's armed forces in three stages. The first stage is characterized by disintegration of the unified system of command and supply of the armed forces. The disintegration inertia has not yet been stopped! The main task during this period is to stop it, stabilize the situation, and preserve the battle-worthiness of existing units. Having defined the main point at this stage, we can set priorities in financing.

At the second stage we need to form, taking into account the changing economic situation, small mobile units in the general structure of the armed forces, and at a level much lower than required by the principle of reasonable sufficiency. I believe that such "limited by necessity armed forces" will remain that way until the end of the first decade of the 21st century. Improvement in the

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economic situation in the country will also allow an improvement of financing of the military already built on the foundation of such units and formations to a level of reasonable sufficiency.

The third stage is the stage of improving the armed forces, both conceptually and structurally, in search of the most optimal option. At that point we will be talking of financing Kazakhstan's mobile army, equipped with modern weapons and combat vehicles capable of guaranteed protection of the republic's sovereignty.

In the context of the proposed draft of the phased reform it is reasonable to consider the question of sufficiency of armed branches and services, units and formations at each development stage.

It probably will be necessary to resolve the issues associated with legislative codification of this reform. We also need to decide which institutions will we implementing military reform and reform of the armed forces as a component part of it. I believe that the Ministry of Defense cannot handle these problems alone.

In his article L. Bakayev writes about the need to fundamentally change the existing military draft system. I believe that with respect to this it is time to say it straight: Even the name of the current law on universal military service does not correspond to reality. What kind of universal duty is there when only one-third of draftees are called up? And why do we need more, considering that we cannot feed and clothe more than one-third of draftees anyway?

I also find arguable L. Bakayev's proposal to create a republic military draft office. Military draft offices with their inflated staffs have demonstrated and proved their ineffectiveness. It is preferable to set up military draft departments within administrative apparats. Likewise, we should give thought to the question of mobilization departments.

This in turn will increase by several orders of magnitude the administrations' responsibility for mobilization work and selection of draftees for military service, while elimination of military draft offices will free up much-needed money.

Overall, it is inarguable that the topic of reforming the armed forces of Kazakhstan requires in-depth and thorough consideration. It is difficult to cover in-depth the problem of military organizational development in one newspaper article—in this I agree with L. Bakayev. I believe that continuation of the discussion of this problem, including in a respected newspaper, would be an important and timely undertaking.

Kyrgyzstan

President Akayev Rules Out Rejoining Russia

LD2601182095 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 1455 GMT 25 Jan 95

[Interview with President Askar Akayev by an unidentified correspondent from the ASABA newspaper; place not given—live]

[FBIS Translated Excerpt] [Correspondent] (Chorybek Baygazakov), the former head of administration in At Bashy district, is now a candidate for the post of deputy in Constituency No. 21. According to confirmed reports, at meetings with the electorate he says: When I was mayor I did not support the president's reforms. His agrarian reform has failed.

With Askar Akayev's agreement our strategic goods are being exported to China, and in exchange all sorts of stuff is imported. We have only one way to help ourselves out—join Russia.

Are you worried that this kind of renegade will find his way into the new parliament?

[Akayev] You have asked a very interesting question. In short, a few Kyrgyz words will answer it. The Kyrgyz have a good saying: A bad man will blame others instead of himself. You can see very well for yourselves that it is because of poor work by mayors like (Baygazakov) that agrarian reform has failed in some regions and our people are experiencing hardships. Therefore, I would say that, according to observers who have come from both east and West, our land and agrarian reforms are being conducted according to a fairly correct course.

But in some places some heads, who are blocking reform and have failed to conduct it properly, are hindering our reforms from being implemented successfully and fruitfully.

Now I come to your second question. We are now creating a market economy, and we have built a state by ourselves and joined the global economic system.

Unless we conduct trade and economic relations and cooperate broadly with other countries, among them our great neighbor, the People's Republic of China, our economy will never improve and our work will never move forward. Every one of us must understand this.

As for strategic materials, the government is keeping an eye on all of them and putting in order those that can be exported, and when.

There have also been some shortcomings. The Kyrgyzs have a good saying: The nomad's camp is improved gradually. Our camp, too, will also be gradually improved. But we will never improve our economy unless we conduct trade and maintain relations all over the world.

As for the quality of the goods that are being imported, that is in the businessmen's hands today. If they import shoddy goods they will not be able to sell them and they will make a loss. This matter will gradually resolve itself. Businessmen will be gradually forced to import good-quality goods in their own interest.

As for your third question, I am deeply confident that Russia will remain the great political and economic country in the Commonwealth for decades and centuries

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to come. But today Kyrgyzstan has become an independent nation. We are conducting a peaceful policy. Although we have not left others behind, we are not lagging behind, either, thank God.

At a time when we have become an independent nation, when Kyrgyzstan has taken up the place it deserves among world countries and become world-known in a short space of time, and when it is being supported by the world countries and public, I think that people who talk about joining some other country, for example Russia, and holding onto others' coat-tails, will never benefit their own nation.

Kyrgyzstan, China Reduce Troops in Border Zone

LD2701095095 Moscow ITAR-TASS in English 0825 GMT 27 Jan 95

[By ITAR-TASS correspondent Boris Mainayev]

[FBIS Transcribed Text] Bishkek January 27 TASS—Kyrgyzstan and China agreed to reduce the number of troops in a 100-km wide border zone between the two states and have already begun to fulfill the agreement, TASS learned from the press service of the Kyrgyzstan Defence Ministry on Friday [27 January].

The amount of reduction was not disclosed. According to various estimates, the Kyrgyz Armed Forces are 13-15 thousand man strong.

The Kyrgyz border with China is guarded by Russian frontier troops, according to CIS agreements. However, the Kyrgyz Army stands behind them and it is too expensive for the republic to keep the troops in the mountains.

The Kyrgyz Armed Forces consist at present of all the arms necessary for modern warfare, as well as of the national guard and interior troops.

Uzbek Gas Imports Paid for by Barter

LD2701101195 Chuy CHUYSKIYE IZVESTIYA in Russian 21 Jan 95 p 1

[Unattributed report]

[FBIS Translated Text] Kyrgyzstan is promising to supply ten military training aircraft (made in the Czech Republic) as well as other goods to its neighbors in payment for 900 million cubic meters of Uzbek gas at $65 per cubic meter.

Privatization of Wholesale Trade Begins

LD2701100995 Bishkek Kyrgyz Radio First Program Network in Russian 1200 GMT 26 Jan 95

[FBIS Translated Excerpt] The Kyrgyzstan State Property Fund has begun demonopolizing the wholesale trade sector and its service transportation with the help of the U.S. Agency for International Development—USAID. The demonopolization project, which was drawn up in conjunction with them, envisions a smooth and cost free method for setting up numerous competitors among businessmen from the monopolies themselves. The monopolies will have to share their own property, which when sold at auction will allow the businessmen to provide themselves with the means of production and to enter the services market in the sector of wholesale trade and transportation.

USAID, which is financing the project, considers that this kind of approach will ensure the growth of enterprise in this sphere and will create in time the conditions for free competition.

An experiment at the end of last year showed that the project drawn up by the State Property Fund and USAID is working effectively. As a result of the segmentation of major trade and transportation enterprises at auctions, five warehouses and 56 trucks were sold for one and half million soms. Sixty-one new owners of the means of production entered the market. Since the beginning of January the demonopolization project has been launched at full capacity. [passage omitted]

On the whole, the project is aimed at demonopolizing 80 percent of enterprises in the wholesale trade and its service transportation.

Decree on State Budget for First Quarter Year

LD2601120795 Bishkek Kyrgyz Radio First Program Network in Russian 1400 GMT 24 Jan 95

[FBIS Translated Excerpt] Here is a decree by the president of the Kyrgyz Republic on the state budget for the first quarter of 1995:

Taking into consideration the urgent need to form and implement the revenue and expenditure part of the state budget for the 1995 fiscal year, and with a view to ensuring the viability of the republic's enterprises, organizations, and institutions, and the funding of state programs, on the basis of a proposal by the Government of the Kyrgyz Republic, I decree:

1. The republican budget of the Kyrgyz Republic for the first quarter of 1995 is to be set at 798,574,000 soms in revenues and 1,225,574,000 soms in expenditures, with a maximum deficit of 427 million soms.

2. The norms for allocations to the local budgets of regions and the city of Bishkek are to be set as follows for the first quarter of 1995:

—from value added tax: 100 percent for Osh, Issyk Kul, Naryn, Talas, and Dzhalalabad regions; 42 percent for Chuy region; 22 percent for the city of Bishkek.

—from excise taxes: 100 percent for Osh, Dzhalalabad, Issyk Kul, Naryn, and Talas regions; 42 percent for Chuy region; 22 percent for the city of Bishkek.

—from the profit tax levied on enterprises, corporations, and organizations under any form of ownership: 100

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percent for Osh, Issyk Kul, Naryn, and Talas regions; 31.8 percent for Dzhalalabad region; 42 percent for Chuy region, and 22 percent for the city of Bishkek.

—from turnover tax on retail trade and consumer services: 100 percent for Osh, Dzhalalabad, Issyk Kul, Naryn, and Talas regions; 42 percent for Chuy region, 22 percent for the city of Bishkek.

3. The norm for income tax levied from citizens by enterprises, institutions, and organizations in Chuy region and paid into the centralized republican budget is to be set at 58 percent in the first quarter of 1995; in the city of Bishkek this figure will be 78 percent.

4. The following sizes of subsidies paid to local councils from the republican budget are to be set for the first quarter of 1995: 3,158,000 soms for Issyk Kul Region, 20,151,000 soms for Naryn Region, and 9,287,000 soms for Talas Region. [passage omitted]

7. Funding of the expenditures of republican and local budgets shall take place within the limits of the revenues which actually become available for external and domestic financing of the budget deficit.

8. The Government of the Kyrgyz Republic has until 15 February 1995 to draft a proposal on amendments and addendums to the law on education of the Kyrgyz Republic and other legislative acts for subsequent consideration by the Supreme Council of the Kyrgyz Republic; and to bring its own decisions into line with this decree.

[Signed] President Akayev of the Kyrgyz Republic.

Tajikistan

Rakhmanov on National Issues, Ties With Russia

MM2601122395 Moscow ROSSIYSKIYE VESTI in Russian 26 Jan 95 p 3

[Interview with President Emomali Rakhmanov by Sergey Ovsiyenko; place and date not given, dateline reads "Dushanbe-Moscow": "Emomali Rakhmonov: In the Long Term We See Our Republic as Part of the CIS"]

[FBIS Translated Text] [Ovsiyenko] Emomali Sharipovich, I would like to start our conversation with questions currently of interest to Russia: What is Tajikistan's reaction to the events in Chechnya?

[Rakhmanov] I have to say immediately that what is happening in Chechnya is Russia's internal affair. As for the Tajikistan people's reaction, it is as follows: All "hot spot" problems must be resolved without fratricidal bloodshed. The Tajik people, who lost 100,000 people during the civil war and saw the republic suffer economic damage to the tune of 7 billion U.S. dollars, reached this conclusion the hard way.

Things are difficult for Tajikistan. But the general political situation is currently tending to improve and gradually normalize. This is also evidenced by the fact that 870,000 refugees have returned to Tajikistan in the past two years, including 90,000 from Afghanistan. Some 7,000 Russians have also returned to the republic.

[Ovsiyenko] But the opposition is not abandoning its attempts to seize power in the republic by force of arms....

[Rakhmanov] I'm not sure it will succeed. Recent years have shown that Tajikistan's problems need to be resolved by peaceful means alone, through negotiation and compromise. Tajikistan's leadership is prepared for this, but the opposition leaders aren't.

Here are just a few examples. Since the agreement "On a Temporary Cease-Fire and the Cessation of Other Hostile Actions on the Tajik-Afghan Border and Within the Country" came into force the opposition has violated it more than 50 times and staged 21 armed attacks on border posts....

[Ovsiyenko] Mr. President, you are accused of persecuting your political opponents, introducing strict censorship in the national media, and establishing an authoritarian regime. How would you comment on this?

[Rakhmanov] These accusations against me are nothing new. They appeared literally the day after I was elected head of state at the 16th Supreme Council session in December 1992. My political opponents are still trying to accuse us of things which have never happened in our republic. We are building a rule-of-law secular state. This means living within the bounds of legal norms prescribed by generally accepted laws and norms of communal living. As for the mass media, they operate within the limits prescribed by the law on the mass media. We simply have no other legal or other norms governing the activity of the media.

[Ovsiyenko] What is official Dushanbe's current relationship with the republic's regions—Gorno-Badakhshan, Leninabad Oblast, the Gissar group of rayons?...

[Rakhmanov] Since the first days of the restoration of a constitutional system in Dushanbe we have been seeking to maintain equal relations with all the republic's regions. You can see this in both the economic and the personnel policy pursued by the republic's central government. All the republic's regions—the Gorno-Badakhshan Autonomous Oblast, Leninabad, the Karateginskiy Valley, and the Gissar group of rayons—are equally represented in the new government. I am confident that our policy in this respect will not change in the future either. Because we realize that a violation of traditional regional policy could lead to the destabilization of the situation in the republic.

[Ovsiyenko] You will agree that this is not the only way that the problem of the opposition, including the armed

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opposition, is being resolved. I am thinking about the process of disarming them....

[Rakhmanov] The republic's leadership has declared four amnesties and let off more than 6,000 people. An edict on the voluntary surrender of weapons was adopted recently. Weapons have been handed in by 1,500 gunmen. In one month alone the population of the Pamir surrendered 300 firearms.

And in the space of two years government troops have seized around 15,000 firearms.

[Ovsiyenko] Tajikistan has declared itself to be a democratic, rule-of-law, secular state. In what direction will the republic develop as a result?

[Rakhmanov] Tajikistan does not intend to copy either a western or an eastern model of state system. In the long term we see our republic as part of the CIS.

And the people support the leadership here. The referendum on the new constitution conducted on 6 November last year showed that 95 percent of the population of Tajikistan support this policy of the president. And—an extremely important point—70 percent of the population of the regions where opposition influence is strong came out in favor of the new constitution.

At the same time let me note that the Commonwealth itself is still far from perfect. During the years that the CIS has been in existence more than 400 different agreements and documents have been adopted. Far from all of them are being fulfilled.... For example, a number of agreements on the CIS countries' collective security, principally on strengthening the Commonwealth's southern borders, which is extremely important for our republic. Because the Tajik-Afghan border keeps the situation tense not only in our republic but throughout Central Asia.

It is also necessary to take account of the fact that there is no air defense system along the entire length of the border. Violations of Tajikistan's air border are extremely dangerous for CIS countries too. It cannot be ruled out that a border violator could show up in Russian airspace. I have raised the air defense issue with the Russian Defense Ministry and leadership several times....

[Ovsiyenko] Under an agreement concluded with Russia the funding of all measures to protect the Tajik-Afghan border is based on parity. But to the best of my knowledge Tajikistan is meeting only 15 percent of its commitments....

[Rakhmanov] This is indeed the case. But there is an explanation for this which we find convincing. Tajikistan is the smallest state in Central Asia. But it has the longest southern border—more than 2,000 kilometers, mostly with Afghanistan.

The present economic situation in the country, which I talked about at the beginning of our interview, makes it impossible for us to create our own border troops and maintain them. This is why Tajikistan counts on assistance from Russia.

On the other hand, over 80 percent of border post personnel are Tajiks, who are protecting the border along with Russian border guards. We are of course obliged to fulfill our contractual agreements, but at present we find it economically impossible.

[Ovsiyenko] Since the conversation has turned to Tajikistan's economy, allow me to ask you—does the republic's leadership plan to introduce its own currency?

[Rakhmanov] If our parliament gives the go-ahead. As yet only preparatory work is being done.

[Ovsiyenko] In building its relations with Russia does Tajikistan intend to cooperate with it within the framework of the CIS or on a bilateral basis?

[Rakhmanov] One form of cooperation does not preclude the other. After all, around 80 percent of all the republic's economic links are with Russia. Tajikistan benefits from cooperation with Russia, and Russia benefits too, particularly now. One example to confirm this: Ivanovo weaving factories are standing idle without cotton . We are prepared to grow cotton for the Ivanovo weavers, but the republic has a fuel shortage....

[Ovsiyenko] A few days ago you signed an edict on the formation of a Slavic university in the republic. Does this signify a return to the teaching of Russian in Tajikistan's schools and higher educational establishments?

[Rakhmanov] This is now the second year that Russian has been taught in the republic's preschool establishments, schools, and higher educational establishments. However, the edict on creating a Slavic university opens up broader prospects for the republic to train the proficient specialists which Tajikistan needs so badly right now.

Construction of the Rogunskaya hydroelectric power station, which will earn the republic around 700 million U.S. dollars in income in a single year, is nearing completion. Central Asian countries and neighboring Islamic states are waiting for electricity from the power station....

There are a considerable number of such economic projects in the republic. This is why I made the decision to create the Slavic university, to which we intend to invite teachers from Russia.

Afghan Pilot Violates Air Space; Lands Near Vose

LD2701094695 Moscow ITAR-TASS in English 0806 GMT 27 Jan 95

[By ITAR-TASS correspondent Galina Gridneva]

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[FBIS Transcribed Text] Dushanbe January 27 TASS—A pilot of the Afghan Air Force violated Tajik air space on Thursday [26 January] and had to make an emergency landing some 200 km to the southeast of the capital of Dushanbe.

TASS learned from the press center of the Russian border guards in Tajikistan today, that the pilot was hospitalised in the village of Vose. His jet plane landed 30 kilometers away from it.

The jet had no identification markings and was detected by the second Russian border guard post of the Moskovskiy frontier dictrict.

The press centre refused to identify the pilot and disclose any other details saying only that an investigation in underway.

It was not clear whether the plane was downed or landed because of technical malfunctions.

Ubaydulloyev Meets European Aid Providers

LD2701113295 Dushanbe Radio Tajikistan Network in Tajik 0600 GMT 27 Jan 95

[FBIS Translated Text] Yesterday, First Deputy Prime Minister Mukhammad Said Ubaydulloyev received Mr. Luke Bekker, a representative of the humanitarian assistance department of the European Union, and Mr. Envey Werbek, a representative of the European agency for the development of health care. During a friendly conversation issues of rendering humanitarian assistance to Tajikistan in 1995 were discussed. This year 50,000 tonnes of flour will be delivered to Tajikistan, in particular 4,500 tonnes of flour will be allocated to Gorno-Badakhshan Autonomous Region. Ubaydulloyev noted that a bureau to supervise the allocation of humanitarian aid to the regions will be created.

Democratic Party Leader Goes to Moscow for Talks

MM2601121695 Moscow ROSSIYSKAYA GAZETA in Russian 26 Jan 95 First Edition p 6

[Own information report: "Yusuf Going to Moscow"]

[FBIS Translated Text] Shodmon Yusuf [name as transliterated], leader of the Democratic Party of Tajikistan [DPT], has decided to change headquarters and move from the Iranian capital to the Russian capital. His Tajik refugee supporters and some of the members of the party's leading council who had stayed with Yusuf will remain in Tehran.

To all intents and purposes the DPT split up last spring, after its chairman announced the breakdown of the alliance with the Islamists, the end of the armed struggle against the Dushanbe government, and a willingness to return to Tajikistan to take part in the political process.

The DPT leader stressed that he is "going to Moscow with a sense of optimism, in the hope of making a contribution to the cause of a peaceful settlement of the Tajik problem." After contacts with representatives of the Russian political and military leadership and members of parliament, we and certain figures in the Islamic movement who share our ideas are proposing to enter into talks with Dushanbe, Shodmon Yusuf said.

Yusuf, who is flying to Moscow Thursday, stressed that, in the event of the talks on his return to Tajikistan failing, he plans to stay in Russia to "do further work to restore peace in Tajikistan and strengthen the DPT's ranks."

Opposition Radio Notes Hostility to Russian Troops

LD2601132295 (Clandestine) Voice of Free Tajikistan in Tajik 0300 GMT 26 Jan 95

[FBIS Translated Text] General Andrey Nikolayev, head of the Russian Border Troops, said he will increase the number of Russian border guards in Tajikistan. It should be noted that young Tajiks make up 66 percent of the Russian Border Troops and they have sworn an oath to a foreign country to safeguard its interests.

According to news agency reports, under the Dushanbe regime the number of border guards from Russia and some other CIS countries is to be increased. The reports say that the Command of the Russian Border Troops insisted that Kyrgyzstan sends 220 more officers and men to the Tajik-Afghan border in Badakhshan.

Abdulloh-i Orif, our correspondent in Badakhshan, says that relations between Russian Border Troops and the residents of Badakhshan are deteriorating. This trend is the result of negligence, carelessness, and arrogance on the part of the border guards. The detaining of residents without reason, haphazard shots fired in city and village streets, and the oppression of refugees from other regions of the republic by the border guards causes resentment against them among local residents, our correspondent adds.

Opposition Official: Settlement Depends on Moscow

LD2601145995 Moscow INTERFAX in English 1049 GMT 26 Jan 95

[FBIS Transcribed Text] Moscow, Jan 26 (INTERFAX)—The success or failure of settlement in Tajikistan is dependent on Moscow's position, Davlat Usmon, deputy chairman of the Islamic Revival Movement of Tajikistan [IRMT], told Interfax.

He said that he had held talks in Moscow with Russian Deputy Foreign Minister Albert Chernyshov which were attended by Federal Border Service and Foreign Intelligence Service officers Vladimir Ryzhikov and Aleksandr Golubev.

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He felt that the Russian leaders prefer use of force to resolve conflicts, "which does not necessarily bring about positive results."

Usmon said that his party wants only a peaceful settlement of the conflict in Tajikistan and is prepared to hold talks but the Russian troops and the Tajik authorities have to honor the agreements already made.

The next, fourth round of talks between Tajik factions was scheduled to be held in Moscow in December but put off until January 23. The IRMT leaders said on January 16, however, that they would not go to Moscow until the Russian border guards recognized and honored the Tehran ceasefire agreement of September 17.

Usmon made it clear that the Russian military have to turn back the weapons they seized from the opposition's depots in the eastern Gorno-Badakhshan region, removetheir outposts from the Kalaikhum, Gorno-Badakhshan, Khorog road and cease the shelling of Tajik refugee camps in Afghanistan.

He added that 250 Tajik Interior Ministry troops had been moved from the southern town of Kulyab to the Kalaikhum District while troop movement and military exercises were not allowed until February 6 when the ceasefire agreement expires.

Usmon expressed the hope that the opposition, Dushanbe and the Russian leaders will be able to come to an understanding on implementation of all the agreements and hold the fourth round of talks no later than February 15. He emphasized that the opposition would not resume hostilities on the Tajik-Afghan border before the fourth round.

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Armenia

Deputy Assembly Evaluates Supreme Council Session

NC2601170595 Yerevan NOYAN TAPAN in English 1239 GMT 26 Jan 95

[FBIS Transcribed Text] 26/01/95 NOYAN TAPAN—The last session of the Deputy Assembly discussed a statement which evaluates the extraordinary session of the Armenian Supreme Council held on January 17-18, 1995 according to the following agenda: adoption of several laws on taxation policy, ratification of international treaties on allotting Armenia credits, and the annual report of the Armenian President. The Deputy Assembly adhered to its resolution and did not participate in the work of this session.

"The Parliament has unanimously adopted resolutions and thus confirmed the proposals of the government regarding the above-mentioned issues of state importance, without any discussion of or proper familiarization with the problems. The report of the President and his estimations were accepted without any discussion. Meanwhile, the Supreme Council was obliged to voice its opinion about the hard social and economic situation in the republic and the internal political aggravation after the Presidential decree of December 28, 1994.

"Therefore, the Deputy Assembly again confirms its statement, according to which, because of the pressure exercised upon the faction of the Armenian All-National Movement, which constitutes the respective majority of the members of the Parliament, the Presidium of the Council and the deputies working in the executive branch by the government and President personally, the Supreme Court has forsaken its controlling function granted by the law and has transformed into an appendix to the executive power.

"The Deputy Assembly considers the extraordinary sessions of the Armenian Supreme Council held on January 17-18 as a final surrender of democratic principles and return to a single-partied totalitarian system."

The Deputy Assembly also discussed the actions of two of its members - Aleksandr Manucharian and Gevork Manukian, namely their participation in the work of the extraordinary session and their voting "for". The Deputy Assembly took into consideration that these two Deputies have abandoned the Assembly by violating the membership requirements.

The future sessions of the Deputy Assembly will discuss the draft of the bill on elections, the Constitution and the programs on social and economic development and the budget. The Assembly appointed persons responsible for this, instructed the members involved in the work and set the deadlines.

The next session of the Deputy Assembly is to be held on January 30.

Vice President Views Karabakh Projects

NC2601175095 Yerevan SNARK in English 1056 GMT 26 Jan 95

[FBIS Transcribed Text] Stepanakert, January 26 (SNARK)—The visit of Armenian Vice President Gagik Harutyunyan to Nagorno-Karabakh Republic [NKR] ended. SNARK was informed in the NKR president's press-service, that today, Gagik Harutyunyan, who is at the same time the Vice President of All-Armenian Fund "Hayastan", participated in the ceremony of exploitation of Stepanakert head substation, constructed by the direct assistance of the fund.

NKR President Robert Kocharyan, acting Supreme Council chairmen of NKR Karen Baburian and NKR Prime Minister Leonard Petrosyan were present at the ceremony. Before that, Armenian delegation, including the Executive Director of "Hayastan" Fund Manushak Petrosyan, was present at the acceptance of several objects of water supply improvement in Askeran, Martuni and Hadrut regions of NKR.

Today Gagik Harutyunyan and his accompanying persons left for Yerevan.

Karabakh Official on Turkey's Position in Peace Process

NC2601173595 Yerevan SNARK in English 1056 GMT 26 Jan 95

[FBIS Transcribed Text] Stepanakert, January 26 (SNARK)—NKR [Nagorno-Karabakh Republic] will never agree with presence of Turkish military contingent in the complement of intended international peacemaking forces in Karabakh-Azeri opposition zone. The chairman of NKR Supreme Council permanent commission on foreign relations, Levon Melik-Shahnazaryan informed the SNARK correspondent about it. According to him, it is explained by the fact, that being a member of Minsk OSCE [CSCE] group on Karabakh conflict regulation, Turkey defends interests of Azerbaijan and this is impossible in the role of mediator-peace-maker.

Iranian Embassy Officials Receive ARF-Dashnaktsutyun Reps

NC2601222195 Yerevan NOYAN TAPAN in English 1609 GMT 25 Jan 95

[FBIS Transcribed Text] On January 24 the Iranian Charge d'Affaires to Armenia Mohammad Reza Maleki and the Second Secretary of the Iranian Embassy Majila Razavi [names as received] met with the member of ARF[Armenian Revolutionary Federation]-Dashnaktsutyun's Bureau Vahan Hovhannesyan, representative of the Central Committee of ARF Ruben Hakobyan and the member of the Central Committee of the Party Hrair Karapetyan.

During the meeting problems related to the internal political situation in Armenia as well as other questions of mutual concern were discussed [item received incomplete]

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ARF-Dashnaktsutyun Member Arrested

NC2601181295 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 1347 GMT 26 Jan 95

[FBIS Transcribed Text] Yerevan ("Lragir" daily), 01/26/95—According to some sources, RA [Republic of Armenia] State Department on National Security arrested representative of the Armenian Revolutionary Federation [ARF] Dashnaktsutyun Central Committee Hrayr Karapetyan and two other high ranking members.

Azerbaijan

Pakistan's Ali Meets President; Views Karabakh Issue

BK2601133495 Islamabad Radio Pakistan Overseas Service in English 0800 GMT 26 Jan 95

[FBIS Transcribed Text] Foreign Minister Sardar Asif Ahmad Ali, who is currently visiting Azerbaijan as the head of the delegation, has held a meeting with President Geydar Aliyev in the capital, Baku. Both the leaders discussed expansion of relations between the two countries. The Azerbaijani president told the Pakistan foreign minister that his country supports Pakistan's peaceful nuclear program. Sardar Asif Ahmad Ali supported Azerbaijan's territorial integrity in connection with Karabakh dispute.

Meanwhile, a plane carrying medicines worth about $1 million has arrived in the Azerbaijan Republic which has been gifted by Pakistan.

Aliyev Meets With Trade Union Representatives

NC2601212395 Baku TURAN in English 0016 GMT 26 Jan 95

[FBIS Transcribed Text] Baku (January 19) TURAN—On January 18 in the evening President Aliyev received the participants of the session of the Coordination Council of trade unions from Azerbaijan, Turkey, Russia, Georgia, Kazakhstan, Uzbekistan, Tajikistan, Turkmenistan and Kyrgyzstan.

Opening the meeting, the Chairman of Azerbaijan's Confederation of trade unions, Sattar Mehbaliyev, informed about the activity of the Coordination Council with very much details. He said that the Coordination Council discussed the issues concerning transition to market economy by former socialists countries and protection of the workers rights. "The Coordination Council also adopted the resolution on Nagorno-Karabakh and events in Chechnya, which brought many casualties among peaceful population," Mehbaliyev says. He also said that he was appointed the Chairman of the Coordination Council and the Chairman of Kyrgystan's Soviet of trade unions, Emilbek Abakirov, was appointed Secretary General of the Coordination Council.

President Aliyev said that it is important that this forum of trade unions was held in Baku. "International trade union, which is formed now, will give additional opportunity to overcome the transition period jointly and without any crisis", President Aliyev said.

Touching upon the situation in Azerbaijan, Azeri President said: "Six-year-old war with Armenia worsens the situation. Armenian occupied more than 20 percent of Azeri territories, but they could not gain the victory since they are also in deep economic crisis. Azerbaijan is against continuation of the war. That is why we adopted the resolution on cease-fire and now we prepare for agreement on Universal Peace", President Aliyev said.

President Aliyev said that now Azerbaijan prepares to celebrate the 5th anniversary of tragic events of January 20. He characterized this event as national-liberation movement and said that former leader of the Soviet Union, Mikhail Gorbachev, bears responsibility for that.

Azeri President mentioned that after proclamation of independence in Azerbaijan, situation in the country was distable and several leaders came to power within this period. "The reason is that mutinies are in Moscow and they are waiting for their hour to come. But they do not realize that despite all the difficulties, Azeri nation will not follow them", Azeri President said. He added that this factor must not exert influence on relations between Moscow and Baku. "Yesterday I called to Russia's Prime-Minister, Viktor Chernomyrdin, an [item received incomplete]

TRT Reports on Meeting of Oil Consortium

TA2601163195 Ankara TRT Television Network in Turkish 2110 GMT 25 Jan 95

[Erdogan Gungordu video report from Baku]

[FBIS Translated Text] The firms belonging to the consortium established to operate Azerbaijani oil were leaning toward the option of transporting the oil via the Ceyhan pipeline during a meeting held in Baku.

[Begin Gungordu recording] It was learned that in addition to the firms in the consortium which will operate Azerbaijani oil, political preferences are also developing in favor of this option. Meanwhile, it is also reported that the sides agreed to increase Turkey's share in the consortium by at least another five points and that Azerbaijani President Geydar Aliyev issued instructions to that effect.

These developments were observed during the meeting held in Baku with the participation of the representatives of the 11 members of the consortium. It must not be forgotten, however, that in the current atmosphere in Baku, any decision may be reversed at any time.

Addressing the opening of the meeting, Aliyev asked that the oil production be started as soon as possible and further increased because of the difficult conditions in his country. Aliyev stated that this meeting will serve to implement the 20 September 1994 oil agreement and

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that all the formalities will be concluded before the meeting on 12 February 1995. Asking that production be increased at a fast rate in three-four years beginning in 1995, Aliyev noted that new oil reserves, which are currently not exploited, can be operated by this consortium if satisfactory results can be obtained.

The consortium's budget for fiscal 1995 was set at $105 million during the meeting. Securing the necessary technology for (?sea) production will be emphasized in the 1995 investment priorities. During the meeting, the Azerbaijani oil company proposed to finance its share in the project by transferring some of its shares in the consortium to Iran. The sides asked Azerbaijan to submit this proposal in writing. Meanwhile, it is reported that the United States is against Iran joining the partnership and that the decision on the matter will conform to this wish. [end recording]

President Leaves for Davos Economic Talks

NC2601171895 Baku TURAN in English 1352 GMT 26 Jan 95

[FBIS Transcribed Text] Baku (January 26) TURAN—Tomorrow the delegation of Azerbaijan will leave for Davos for participation in the annual economic forum, according to the press-centre of Foreign Ministry of the republic. The President Geydar Aliyev and Foreign Minister Gasan Gasanov will take part in the forum of the heads of the states. According to Foreign Ministry not only the economic issues will be discussed. The problems of maintenance of peace and stability, strengthening of mutual confidence between the states, the problems of keeping the human rights, as well as a problem of global energy crisis will be discussed by the participants of the session.

Russia Said Not Acknowledging New CSCE Co-Chairman

NC2601192995 Baku TURAN in English 2346 GMT 25 Jan 95

[FBIS Transcribed Text] Baku (January 16) TURAN—Russia's Foreign Ministry did not acknowledge information that Deputy permanent Russia's representative in UN, Vadim Lozinskiy [name as received], is appointed co—Chairman of OSCE [CSCE] Minsk Conference for Armenian-Azerbaijani conflict settlement. As responsible employee of Information Department in Russia's Foreign Ministry told Turan's correspondent, "Russian Foreign Ministry does not have such information".

Information Department also said that information of mass media about relieve of Vladimir Kazimirov, minister counsellor of Russian President, of Armenian-Azerbaijani conflict settlement process is absolutely false. Information about appointment of Kazimirov Ambassador to a third country was not acknowledged as well.

As was earlier reported, at the first half of January OSCE acting Chairman, Laslo Kovach, has to appoint co-Chairmen of Minsk Conference in Sweden and Russia.

Chechnya's Committee for Human Rights Statement

NC2601215495 Baku TURAN in English 2207 GMT 25 Jan 95

[FBIS Transcribed Text] Baku (January 20) TURAN—"A war which started by Russian Federation at the territory of Chechnya brings about more and more sacrifices among the peaceful population and the military men," reads a statement of the Chechens Committee for Human Rights issued today in Baku.

During the last days Russian military helicopters throw leaflets over the peaceful villages with threats of bombing in case if they will help to Chechens home guardsmen, notes the document.

The refugees from Chechnya are gathered at the territories of Ingushetia and Dagestan republics. There is a deficit of medicines, food products, tents and warm clothes. Humanitarian aid sent to the region from abroad very often does not reach the people and is owned by the representatives of the federal authorities and by the troops or is sold at the markets, reads the statement.

"The state of the refugees at the territory of Chechnya is much worse. More than 200,000 refugees without food and medicines gathered in the southern mountain regions. Russian troops had blocked this region and does not let the humanitarian aid to reach this region.

"Under such situation we appeal the world publicity, governments and international organisations to demand the Russian government to put an end to mass violat [item received incomplete]

People's Deputy Detained During Meeting With Refugees

NC2601213695 Baku TURAN in English 2301 GMT 25 Jan 95

[FBIS Transcribed Text] Baku (January 16) TURAN—Last Saturday [21 January] in Sabirabad, 120 kilometres to the west of Baku, policemen detained People's Deputy, member of Milli Mejlis, Mirmahmud Fattayev, press-centre of the PFA [People's Front of Azerbaijan] reports.

Deputy brought humanitarian assistance to refugees and conducted meeting with refugees in their camps. Chief of police of Sabirabad, Matlab Aliyev, his deputy, Nizami Mamedov, and 50 policemen detained him during the meeting. Deputy was offered to go with policemen to regional centre of Sabirabad and present written explanation of his arrival in Sabirabad, but Fattayev refused. Then Mirmahmud Fattayev and three accompanied him persons were brought to Sabirabad's Police Department by force, the same source reports.

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Although Supreme Soviet was informed about that incident, People's Deputy and accompanied him person are still under arrest, PFA press-centre reports. The same source says that driver of People's Deputy, Tavakyul Ismailov, had a heart attack (probably, infarction), but medical aid was not rendered to him.

Georgia

CIS, Russian Deputies in Sukhumi To Discuss Abkhazia

LD2601173895 Moscow INTERFAX in English 1402 GMT 26 Jan 95

[FBIS Transcribed Text] SUKHUMI, Jan 26 (Interfax)— A delegation of the peacekeeping group of the CIS Interparliamentary Assembly Council and the Russian Federation Council arrived in Sukhumi on January 26 to discuss peaceful resolution of the Georgian-Abkhazian conflict with the Abkhazian leaders.

The delegation head Vadim Gustov, Federation Council CIS Affairs Committee, told journalists in Sukhumi that the delegation would try to have the return of refugees to Abkhazia resumed and to restore economic ties between Abkhazia and Russia.

Gustov praised the stabilizing role played by the Russian peacekeeping units in the Georgian-Abkhazian conflict zone.

The delegation arrived in Sukhumi from Tbilisi where it had held talks with Georgian leaders for two days.

Gustov admitted that the discussions of a settlement in Abkhazia with Georgian and Abkhazian authorities were heated.

Pessimistic About Delegation Success

LD2601200395 Tbilisi Radio Tbilisi Network in Georgian 1800 GMT 26 Jan 95

[FBIS Translated Text] The deputy speaker of the Georgian parliament, Vakhtang Rcheulishvili, has told a BS-PRESS news agency correspondent that he cannot pin high hopes on the delegation of the CIS Interparliamentary Assembly and Russia's Federation Council. In his words, the peace process has come to a deadlock and it is hard to visualize that the process will be followed by major changes. Our problem is that we are too optimistic while considering the events, said Rcheulishvili. We expected that Russia's involvement would speed up the settlement of the conflict. However, we should realize that a political settlement of the issue is a rather long process and we cannot expect to get results very soon.

Ardzinba's policy leads people towards destruction. We have to make use of all peaceful ways as well as mediation with Russia, the United Nations, and the OSCE [Organization for Security and Cooperation in Europe], concluded Vakhtang Rcheulishvili.

AFP Reporter Visits Closed Russian-Abkhaz Border

AU2701101195 Paris AFP in English 0309 GMT 27 Jan 95

[Report by Peter Graff]

[FBIS Transcribed Excerpt] PSOU, Georgia, Jan 27 (AFP)—A month-old Russian move to seal its border with Abkhazia has driven this break-away region of Georgia, once a glamorous strip of subtropical Black Sea resorts, deeper into poverty and lawlessness.

Abkhazia declared its independence from Georgia in 1992 and defeated Georgian forces in a year-long war which reduced the region to a string of ghost towns.

Virtually the entire Georgian population—nearly half the local population—was driven out. Georgia maintains that 300,000 refugees fled the region.

Abkhazia's border with Georgia is sealed off and patrolled by Russian troops. But Abkhazia sank deeper into isolation on December 20 when the border with Russia was also closed.

Local traders believe the border was closed to stop Abkhazians making their way to Chechnya to fight on the side of secessionist rebels against Russian forces there.

But a Russian border official told AFP that Moscow had given no official reason for the border closure. [passage omitted]

Abkhazian residents can enter Russia only if they have documents proving they have an ailing relative or some official business on the other side, a senior border guard official said.

For many, the only way over is to pay bribes. AFP correspondents saw women stuffing wads of ruble notes into soldiers' hands—the price to be escorted across the border.

Those who made the trip said women were routinely charged between 50,000 and 100,000 rubles ($12.50 and 25), and children a little less. Men are charged considerably more, and therefore rarely make the trip.

Even after paying their bribes, the women can make the crossing only on foot and can bring back only what they haul across the bridge on their backs.

A 50,000 ruble pay-off is the retail price of 100 kilograms (220 pounds) of winter tangerines. [passage omitted]

Ultimatum Issued to Abkhazia Threatening Force

LD2701104695 Moscow ITAR-TASS in English 1014 GMT 27 Jan 95

[By Georgian Information Ministry]

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[FBIS Transcribed Text] Tbilisi January 27 TASS—An influential Georgian lawmaker and one of the most resolute supporters of power methods against Abkhazian independence drive issued an ultimatum to the separatist region threatenening to use force if all Georgian refugees are not allowed back home to Abkhazia.

"The process of the return of refugees to Abkhazia should be completed by this May 15, i.e. before the mandate of Russian peace-keeping forces in the conflict area expires. Otherwise, the conflict will be solved by other methods and, possibly, by force", Dzhana Ioseliani who heads the commission on settling conflicts in Georgia, told a conference which discussed the resumption of Georgian-Abkhazian talks in Geneva in February.

Ioseliani said Georgia proposes to separatist Abkhazia a federative structure in the framework of the single Georgian state.

Ardzinba: We Cannot Take Back Refugees

AU2601144695 Paris AFP in English 1347 GMT 26 Jan 95

[FBIS Transcribed Text]—Sukhumi, Georgia, Jan 26 (AFP)—Abkhazian President Vladislav Ardzinba warned here Thursday [26 January] that Abkhazia could not take back refugees as long as Russia keeps its border with the break-away Georgian region sealed.

He said a solution to Abkhazia's massive refugee crisis "cannot even be discussed" as long as the border remained sealed, because the move was wrecking Abkhazia's economy and the job prospects of returning refugees.

"If Abkhazia is kept in a de facto state of blockade, what kind of a return of refugees can we speak of?" he asked in an interview with AFP.

On December 19 Russia unilaterally closed its border with Abkhazia, leaving the country isolated.

It has given no reason for closing the border, but it is said here that the decision was aimed at stopping Abkhazians getting to Chechnya to support separatist rebels there in their conflict with Russia.

Ardzinba denied that Abkhazian fighters had been sent to Chechnya.

Abkhazia's only other "border," with Georgia, has been closed since its year-long war of independence which started in 1993.

Now the Abkhazian economy depends almost entirely on trade with Russia to the north, and this has been disrupted by the border closure.

Ardzinba said: "Railroad cars with our flour (imported from Russia) have been held up since December 19. If our bread factories do not stop today, they will stop tomorrow."

Although the figures are disputed, by most estimates between 40 and 60 percent of a pre-war population of 525,000 people fled Abkhazia in 1993 when Georgian forces failed to crush Sukhumi's bid for independence.

Most of the refugees are ethnic Georgians now living in Georgia proper.

Ardzinba Favors Peaceful Solution in Abkhazia

LD2601213295 Moscow ITAR-TASS World Service in Russian 1447 GMT 26 Jan 95

[By ITAR-TASS correspondent Anatoliy Yurkin]

[FBIS Translated Text] Sukhumi, 26 Jan—Abkhazia is in favor of a peaceful settlement of the Georgian-Abkhazian conflict, Vyacheslav Ardzinba, president of the Republic of Abkhazia, said today in an exclusive interview for the ITAR-TASS correspondent. He believes that the settlement of the refugee question is being slowed down by the Georgian side which, Ardzinba considers, is putting forward false pretexts to hold back the process of returning people to their homes. He is convinced that there are no forces in Abkhazia that are hindering the restoration of peace and the development of the economy.

Giving his opinion of the arrival in the republic of the delegation of the CIS Interparliamentary Assembly and the Federation Council of the Russian Federation, Vladislav Ardzinba expressed confidence that this step by the Commonwealth of States will promote the strengthening of peace in the region.

The peace-keeping forces that are mainly made up of units of the Russian Armed Forces are playing a stabilizing role, Ardzinba considers, and the people of Abkhazia regard them as their protectors.

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Estonia

Kurdish Refugee Problem Sparks Reaction From Officials

LD2601191795 Tallinn Radio Tallinn Network in Estonian 1700 GMT 26 Jan 95

[FBIS Translated Text] As per an earlier agreement between the Estonian and Finnish interior ministers, the Estonian Government has decided to request in writing from the Finnish Government that the Kurdish refugees who are staying illegally in Estonia are handed over to the state of Finland. This was reported to BNS by Ain Saarna, the government press representative, today. Saarna considered it necessary to add that, in the government's view, this amounts to just one specific incident. As the present government views it, Estonia must not become a transit country for immigrants, emphasized the government's press representative.

Aino Lepik, the head of the Estonian Foreign Ministry's Bureau for Human Rights, called the statement made by (Hans Tholen) a UNHCR representative, on Tuesday [24 January] amazing. It is surprising for the statement to have been made just now as a government commission is drawing up a policy on refugees, Lepik told BNS. Tholen said that if Estonia and Latvia want to be part of Europe they must also accept political asylum-seekers. According to Lepik, it is blatantly obvious that Estonia will not be able in the future to avoid people who seek political asylum on arrival or wish to travel on to other countries. In Lepik's opinion, it is strange that Tholen would have said that Russia is not a safe country for refugees. Russia has in fact joined the UN Convention on Refugees, Lepik noted. The major part of the refugees arriving in Estonia have arrived from Russia. So far Russia has refused to accept their return from Estonia.

Finland Begins Work To Clean Up Paldiski Base

LD2601125695 Helsinki Suomen Yleisradio Network in Finnish 1000 GMT 26 Jan 95

[FBIS Translated Text] The purification of the former Paldiski military base, situated in Estonia, has started with efficiency. The purification plant, developed by Finns, has processed 60,000 liters of radioactive waste water. A quantity of 730,000 liters remains in concrete basins to be purified. The aim is to purify the basins by the end of May. The Paldiski waste originates from two nuclear reactors, used in the training of nuclear submarine personnel in the former Soviet Union. The cost of the purification work, carried out by Imatran Voima, is about 2 million Finnish markkas.

Commander Criticizes Lack of Defense Plan

LD2701092495 Tallinn Estonian Television Network in Estonian 1900 GMT 26 Jan 95

[FBIS Translated Excerpt] Estonia has still not developed a defense concept thus far. Why not? This issue and several other questions stemming from this issue were discussed during the two-day conference on the development of a national defense concept run by the Jaan Tonisson Institute, in conjunction with NATO and the Konrad Adenauer Foundation.

[Unidentified correspondent] The conference follows logically from security conferences in Latvia and Lithuania, where Western experts discussed future cooperation together with their local colleagues and government members. [passage omitted]

[Begin recording] [Estonian Defense Forces Commander Aleksander Einseln] As it stands at the moment, and with our budget, we are not able to stand by our obligations under international agreements. We either stop the development of our peacekeeping battalion, withdraw from the Partnership for Peace program, or stop doing anything at all about the Navy or Air Force. For example, we leave the Kaitseliit [Estonian Defense League] in its present poor state, where it has no money even for the basics. These are political decisions.

[Correspondent] What should shape public opinion so that the people understand what the point is with regard to increasing expenditures on these things?

[Einseln] This is something everyone in the country's leadership must do—first, the government, with the prime minister at its head. All decisions to be made must be outside the political parties' interests and above personal interests. Unfortunately, I must say—and this is meant as criticism against all politicians in Estonia—that they have placed their own interests and the interests of their groups above the interests of the Estonian people. In my opinion, this is criminal. [end recording]

Latvia

President to Mark Auschwitz Liberation in Poland

LD2601125595 Riga Radio Riga Network in Latvian 1000 GMT 26 Jan 95

[FBIS Translated Text] State President Guntis Ulmanis left for Poland this morning to take part in celebrating the 50th anniversary of the liberation of the former fascist concentration camp at Auschwitz. Representatives of approximately 26 countries, Nobel prize winners, and former prisoners have been invited to take part in the commemorative events.

Talks with Polish President Lech Walesa and meetings with the Albanian and Ukrainian presidents are also scheduled for Guntis Ulmanis during his visit. The Latvian president will also listen to a performance of Krzysztof Penderecki's Polish Requiem performed by the Krakow Philharmonic Orchestra in the Juliusz Slowacki theater. Ulmanis will return to Riga tomorrow afternoon.

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Ulmanis Meets National Defense Forces Commanders

WS2601134695 Riga LABRIT in Latvian 5 Jan 95 p 1

[Report by Imants Austrins: "Ulmanis Meets With Chiefs of National Defense Forces"]

[FBIS Translated Text] President Guntis Ulmanis met yesterday with Defense Minister Janis Arveds Trapans, Commander of National Armed Forces [NBS] Juris Dalbins, Chief of NBS Staff Juris Arnes, and Chief National Guard Staff Juris Eihmanis. During the meeting, main directions for the development of the state defense system in 1995 were discussed. Dainis Turlais, the president's adviser on military matters, was also present at the meeting.

The defense minister analyzed the targets of the ministry, emphasizing the necessity to activate cooperation of the Baltic states in the field of defense, especially in border defense, and informed about Latvia's further activities in joining the "Partnership for Peace" program.

The NBS commander and the chief of staff reported on organizational questions regarding their units and on the development of a new NBS training and munitions system. Special attention was devoted to the problems which arose in the course of creating an air space control system.

The National Guard chief reported on work conducted in connection with the new law "On State Defense," adopted recently, and on cooperation with the Ministry of Internal Affairs with the aim of keeping the law in the country.

According to the officials of the President's office, the members of the meeting emphasized that it is most essential to pay more attention to the program for further development of the NBS.

Lithuania

Radioactive Cargo Stopped at Border With Belarus

LD2601165195 Vilnius Radio Vilnius Network in Russian 1300 GMT 26 Jan 95

[FBIS Translated Text] A radioactive cargo stopped at the border with Belarus was still being kept at the Medininkai customs office this morning. Its fate will depend on the results of the investigation in the radioactive contraband.

At 0100 last night the Medininkai border guards stopped a truck which was emitting a high radiation level. This was established by a stationary dosimeter at the control post. It was stated in a travel letter that the truck proceeded from Bryansk through Belarus to the town of Telsiai in Lithuania. Radiation was reaching 3,600 microroentgen per hour inside the truck. The maximum permitted norm in the environment is 60 microroentgen. After a careful search a cache containing two tonnes of wolfram emitting radiation was found in the truck. This metal could become radioactive only after a prolonged storage together with radioactive substances.

The police arrested the truck driver, its owner and two people who were waiting for the cargo at the border post. Criminal proceedings have been instituted on the illegal importation of radioactive substances to the territory of Lithuania. It is supposed that the detained wolfram was destined for a further smuggling to the West. According to the estimate of the Rotterdam stock exchange, the arrested cargo in Lithuania is valued at approximately 7,300 U.S. dollars.

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